هكذا من الأصل

Weekend

FINANCIAL TIMES

Weekend FT

Safeguarding Africa's last frontier
SECTION II

Renaissance on Regent Street

Headhunters pick the football brains

World Business Newspaper — WEEKEND FEBRUARY 24/FEBRUARY 25 1996

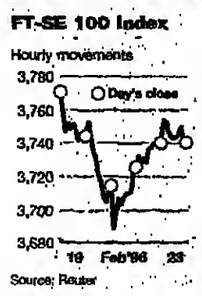
Serbs flee Sarajevo suburbs as Bosnian police take control

Bosnian Federation police moving into previously Serb-held areas of Sarajevo found the area almost deserted after most of the Serb population had fled. *About 10,000 of the 12,000 Serbs in Vogosca, the first* of five suburbs to be transferred under the Dayton peace agreement, left despite a pledge by the Bosnian government of an amnesty for those who had been in the Serb army. Page 22

UK withdraws N Ireland cash: The British government's Northern Ireland Office will recall £150m ($231m) that was to be made available to fund health, education and environment projects in the region, after concerns about the prospect a return of bombings in Northern Ireland. Page 4

Belgian release angers Spain: Spain reacted angrily to the release by Belgium's supreme judicial authority of two suspected members of the Basque separatist group Eta, wanted in connection with *bomb attacks in Madrid. Page 2*

Political uncertainty hits London stocks: The FT-SE 100 Index ended a disappointingly quiet session only 0.3 points higher at 3,740.3 *after increasing pressure* on the government, and the possibility of a snap general election, coupled with renewed volatility on Wall Street, undermined sentiment in UK equities. Over the week, the index has fallen 30.6 points, hit initially by steep falls in international bonds, and later by growing political worries in the UK. Page 19; World stocks, Page 17; Markets, Weekend Page XX



Dini to stand in Italian elections: Italian prime minister Lamberto Dini announced he will form a new centrist party and stand in the April 21 general election, ending weeks of speculation over his political future. Earlier story, Page 2

Union Bank of Switzerland, the country's largest bank, achieved only a 3.8 per cent rise in net income last year to SFr1.68bn ($1.4bn), as weak results from lending and commission businesses offset a strong recovery in trading. Page 5

KLM chiefs quit Northwest board: The president of KLM Royal Dutch Airlines and two fellow senior executives stepped down from the board of the Dutch airline's US partner, Northwest Airlines. Page 5

ING faces rising Barings costs: Internationale Nederlanden Groep, the Dutch bank which rescued Barings, said it expects to spend more than £20m ($30.8m) on the legal tangle left by the UK merchant bank's collapse. It had originally *set aside £10m to meet the costs of the administrators* from Ernst & Young. Page 6

Disaster damage at $150bn: World catastrophe damages, natural and man-made, *totalled $150bn last year, 73 per cent higher than* the average from 1970 to 1994, Swiss Reinsurance reported. Some 28,000 people died as the result of catastrophes.

Dutch tourist killed in Miami: *A Dutch tourist* died in a Miami hospital on Friday morning shortly after she was shot in the chest during a robbery attempt in an inner city neighbourhood.

Saddam's daughters divorce defectors: Iraqi president Saddam Hussein's daughters divorced two high-profile defectors, Lieutenant-General Hussein Kamel Hassan and Saddam Kamel Hassan, for "betrayal" just two days after they unexpectedly returned from Jordan.

Venice mayor faces Fenice fire probe: The mayor of Venice and at least seven other people are under investigation in connection with a fire that wrecked Venice's famed Fenice opera house last month.

Cricket World Cup: A World Cup record partnership of 207 by twin brothers Mark and Steve Waugh helped Australia beat Kenya by 97 runs at Vishakhapatnam, India. Kenya was held to 207-7 after Australia scored 304-7 off their 50 overs.

Companies in this issue

AA Insurance	6	Knickerbox	6
Alumax	5	*Lockheed Martin*	1
Ascot	6	Mark One	6
BET	6	Mercury	4
Barings	6	Merrill Lynch	6
Baxi	6	News Corp	3
Bell Helicopter	2	Nissan	4
Bertelsmann	22, 4	Northwest Airlines	5
British Aerospace	22, 1	Preston North End	6
Casa	1	*Quadramatic*	5
Celtic	6	Quayle Munro	6
DCC	2	RCA	22
Daimler-Benz Aerosp	1	Rentokil	6
De Beers	22, 1	Rodime	5
Flogas	6	Rothschild Asset	6
French Connection	5	Salomon Brothers	6
GEC	22	Samsung	3
Gleves	6	*Siemens*	4
Greenalls	6	Telemetrix	6
ING	6	Thomson-CSF	22
Intl Biotechnology	6	UBS	5
KLM	5	Verity	6
Kaiser Aluminum	5	Virgin Airways	4

Albania	LEK 220	Germany	DM4.00	Lithuania	Lts 15.00	Qatar	QR13.00
Austria	Sch37	Greece	Dr400	Lux.	*LFr75*	*S.Arabia*	SR12
Bahrain	Dim1.250	Hong Kong	HK$20	Malta	Lm0.65	Singapore	S$4.30
Belgium	BFr75	Hungary	Ft230	Morocco	MDh18	Slovak Rp	Sk65
Bulgaria	Lv130.00	Iceland	IKr230	Neth	Fl 4.75	S. Africa	R12.00
Cyprus	C£1.20	India	Rs75	Nigeria	Naira60	Spain	Pta250
Czech Rp	K250	Israel	Shk7.90	Norway	NKr20.00	Sweden	SKr20
Denmark	Dkr16	Italy	L3200	Oman	OR1.50	Switz	SFr3.70
Egypt	E£5.00	Japan	Y500	Pakistan	Rs40	Syria	S£65.00
Estonia	EKr 22	Jordan	JD1.50	Poland	Zl 5.50	Tunisia	Din1.750
Finland	FM15.50	Kuwait	Fils.650	Portugal (mnland)		Turkey	L70,000
France	FFr11.50	Lebanon	LL3,000		Es240	UAE	Dh12.00

France pulls out of air project

Defence review puts future of military transporter in doubt

By Bernard Gray in London and David Buchan in Paris

The future of the multi-billion dollar Future Large Aircraft project was thrown into doubt yesterday after France said it could not afford to join Germany and other European countries in building the new military transporter.

The decision, announced as part of President Jacques Chirac's defence review, means the project is now unlikely to continue in its current form and may well collapse.

Airbus, the European aircraft maker allocated the management of FLA, has been relying on the programme to employ its design engineers, who are not currently working on new civil airliners. It also wants the military work to fill its factories at a time when its civil sales are wilting.

The loss of the programme would be a blow to the Airbus partners, Daimler-Benz Aerospace of Germany, Aérospatiale of France, British Aerospace, and Casa of Spain – several of which are making heavy losses on their civil Airbus work and were hoping for the profitable military work.

However, the failure of FLA would be a boost to Lockheed Martin, maker of the Hercules transporter which dominates the world market.

France and Germany had been intending to buy about 70 FLA each, Britain about 40, and Italy and Spain smaller numbers. The loss of one of the two big partners in the programme makes it difficult for the others, who also have budgetary problems, to continue with the project.

Last October Germany said it would contribute DM4bn ($2.7bn) towards the aircraft's development. Britain, however, has said it will only buy the aircraft at fixed prices and will not contribute development funds in advance. At present the aircraft is at a preliminary design stage but it was due to move to full development this year. France hopes that a smaller, cheaper FLA may one day be within its means, but this would entail an extensive redesign of the aircraft and a delay of several years.

Reducing the size of the aircraft would eliminate the main rationale for its development, which is to carry helicopters and tanks which cannot fit into a Hercules. A smaller FLA would also be competing head-on with the Hercules transporter. Britain only agreed to rejoin the FLA programme a year ago after a fierce battle over the decision to buy new Hercules *aircraft for the* Royal Air Force, rather than wait for the FLA to become available.

The government eventually ordered 25 Hercules, but agreed to consider the FLA for future needs, provided it was made commercially by Airbus and

Continued on Page 22
Response to defence plan, Page 2;
Euro defence role, Page 4;
Lex, Page 22

Rise in housing starts damps interest rate hopes

Growth in US economy slowest for four years

By Michael Prowse in Washington

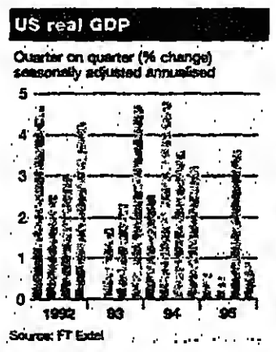
The US economy last year registered its slowest growth since the 1990-91 recession, confirming other signs of sluggish demand, the Commerce Department said yesterday.

On Wall Street, share and bond prices initially rose strongly as the figures raised hopes that the *Federal Reserve* would cut interest rates again to stimulate the economy.

However, sentiment abruptly changed following the release of much stronger-than-expected figures on housing starts for January. Economists had expected starts to plunge because of severe *winter weather but they rose 4* per cent from December, indicating a surprisingly resilient housing market.

By mid-afternoon, the Dow Jones Industrial Average was down some 16 points at around 5,590 *after rising more than 50* points in earlier trading. The benchmark 30-year Treasury bond also went sharply into reverse and was down 1¼ to yield 6.44 per cent.

The economy grew at an annualised real rate of 0.9 per cent in the fourth quarter of last year, down sharply from a revised 3.6 per cent in the previous period.



Wall Street had expected growth of about 1.5 per cent. Growth for last year as whole was 2.1 per cent – the slowest since 1991, a recession year.

Mr Alan Greenspan, the Fed chairman, told Congress this week the economy had entered "a significant soft patch" but said the *odds of avoiding recession* were "better than 50:50".

The Fed, the White House and most private forecasters say the economy will rebound modestly this spring, after a weak first quarter, and grow by a little more than 2 per cent this year. The Fed is expected to stimulate growth by cutting short-term rates by a further quarter or half point in coming months. It cut rates a quarter point to 5.25 per cent at the end of last month.

The slowdown in growth in the fourth quarter reflected more cautious spending by heavily-indebted consumers – consumption grew at an annual rate of 0.8 per cent in real terms against 2.8 per cent in the third quarter – and a slower rate of stockbuilding by companies, which sliced 1 percentage point off gross domestic product-growth.

Federal spending also dropped sharply, partly reflecting the closure of departments during the budgetary stand-off between the White House and Congress.

However, trade and investment provided an offsetting stimulus. Exports grew at an annualised rate of 10.9 per cent in the fourth quarter, up from 8 per cent in the previous period. Imports were flat.

Business investment grew at an annual rate of 6.2 per cent in *real terms, up from 5.2 per cent.*

Inflationary pressures remained subdued; a broad price index rose 2.2 per cent in the fourth quarter, the same rate of increase as in the previous period.

Wall Street, Page 17
Currencies, Page 10
Editorial comment, Page 8

Fugitive German businessman Jürgen Schneider (in open-necked shirt) arriving under guard in Germany yesterday to face charges *over the collapse of his property empire. Report, Page 2* Picture: Reuter

Yeltsin threatens to sack government before poll

By Chrystia Freeland in Moscow

Russian President Boris Yeltsin yesterday warned his government that it would be sacked unless it delivered higher living standards swiftly.

The threat, delivered less than four months before June's presidential elections, is seen as a direct attack on Mr Victor Chernomyrdin, the reformist prime minister. *It is an attempt to convince* disgruntled Russian voters that the cabinet and not the president is to blame for the painful side-effects of market reforms.

"The government will either carry out its duty to defend the social and economic rights of people or this will be done by *another government,"* Mr Yeltsin said. He was speaking in a state of the nation address televised across the country.

"The government, which is focusing on financial stabilisation, has forgotten about people living on wages and pensions," he said.

Earlier this year Mr Yeltsin sacked some of the most prominent reformers in his government in an effort to distance himself from last year's unpopular privatisation scheme and austerity measures. Yesterday's *speech was viewed as a signal* that more heads, including Mr Chernomyrdin's, could roll before the June 16 ballot.

But even as he lambasted the cabinet for impoverishing millions of ordinary Russians, Mr *Yeltsin took the credit for the* sunny side of market reforms. He congratulated himself for the growth in some sectors of the economy, the stabilisation of the rouble and the decline in inflation, and promised to keep inflation to 25 per cent this year, down from 181 per cent in 1995.

Mr Yeltsin also emphasised his anti-corruption drive. After reciting the names of five of the government officials sacked earlier this week, he warned: "Let no

Continued on Page 22
IMF's deal with Moscow, Page 2

Relief in diamond market as Russia and De Beers heal rift

By Kenneth Gooding, Mining Correspondent

Russia yesterday healed a rift with the diamond cartel organised by De Beers of South Africa, allaying industry fears of a price war.

The prospect of two of the world's *big producers of "rough"* or uncut stones falling out had been making the diamond market very nervous.

"This will give a boost to confidence in the diamond cutting centres and it is good news for De Beers' shareholders too," said Mr Mark Cockle of the CRU International consultancy.

De Beers' shares rose R3.40, or 2.6 per cent, to R127.90 ($35.5) in Johannesburg after the news.

This agreement reached after several months of difficult negotiations gives Russia the assurance that it will continue to receive at least $100m a month from De Beers in exchange for rough diamonds.

In return the South African group remains "the sole and exclusive buyer" of all Russia's rough diamond exports.

A five-year exclusive contract between Russia and De Beers' London based Central Selling Organisation (CSO), which organises the cartel and is responsible for well over half the world trade in rough diamonds, was due to end in December but was extended while negotiations continued. Relations between the two have been strained for two years. De Beers claimed Russia was selling huge quantities of rough diamonds directly to the west in contravention of its contract with the CSO. Analysts suggest at least $1bn of diamonds "leaked out" in this way.

De Beers was also annoyed because the pick of Russian gem diamond production was being taken by the domestic cutting industry. Mr Tim Capon, a CSO director, said the new arrangement would ensure his group

Continued on Page 22

STOCK MARKET INDICES

FT-SE 100:	3,740.3	(+0.3)
Yield	3.88	
FT-SE Eurotrack 100	1,557.27	(+20.71)
FT-SE-A All-Share	1,844.41	(+0.1%)
Nikkei	20,300.38	(–40.56)
New York: lunchtime		
Dow Jones Ind Ave	5,601.89	(–8.87)
S & P Composite	656.83	(–1.93)
LONDON MONEY		
3-mo Interbank	6 5/16%	(6 3/16%)
Liffe long gilt fut:	Mar 107 11/32	(Mar 107 18/32)

US LUNCHTIME RATES		
Federal Funds:	5 3/16%	
3-m Treas Bills: Yld	4.960%	
Long Bond	94 13/32	
Yield	6.403%	
NORTH SEA OIL (Argus)		
Brent 15-day (Apr)	$17.82	(18.155)
GOLD		
New York Comex(Apr)	$399.9	(401.5)
London	$398.3	(400.2)

STERLING		
New York lunchtime:		
$	1.5405	
London:		
$	1.5404	(1.5433)
DM	2.2355	(2.2402)
FFr	7.6882	(7.7127)
SFr	1.8159	(1.825)
Y	161.544	(162.077)
£ Index	83.3	(83.6)

DOLLAR		
New York lunchtime:		
DM	1.44775	
FFr	4.97275	
SFr	1.17555	
Y	104.845	
London:		
DM	1.4513	(1.4516)
FFr	4.986	(4.9975)
SFr	1.1789	(1.1825)
Y	104.875	(105.02)
$ Index	95.1	(same)
Tokyo close	Y 105.195	

CONTENTS

News		Letters	8	FT/S&P-A Wd Indices	17
International News	2,3	**Companies**		Foreign Exchanges	10
UK News	4	UK	6	Gold Markets	7
Weather	22	Companies & Finance	5	London SE	19
Lex	22			LSE Dealings	19
Features		**Markets**		Money Markets	10
Leader Page	8	FT-SE Actuaries	19	Recent Issues	17
Share Information	20,21	World Commodities	7		
Wall Street	16,17				
Bourses	16,17				
Weekend FT					
Section II					

LONDON · LEEDS · PARIS · FRANKFURT · STOCKHOLM · MADRID · NEW YORK · LOS ANGELES · TOKYO

Chirac's defence reform plans win mixed response

By David Buchan in Paris

President Jacques Chirac yesterday addressed 500 of France's most senior officers and called for their "solid support" in phasing out conscription and creating a fully professional armed force, but the ambitious plan stirred controversy among the country's politicians.

The sweeping reforms will reduce the size of France's armed forces from 502,000 to 352,000 over the next six years. But Mr Chirac told the officer corps that there would be no forced redundancies under the 1997-2002 draft defence programme, which he described as "the most important since the end of the Algerian war".

This is because a smaller fully professional force will have a higher ratio of officers to rank-and-file soldiers than the existing large part-conscript force.

But French politicians were divided in their reaction to most of the reforms, except for the announcements that France would scrap some outdated nuclear missiles and stop making new nuclear warhead material. This drew a unanimous political welcome.

Many on the left criticised the scrapping of conscription as going against France's republican tradition of a citizen army. But they were also supported on the right by Mr Charles Pasqua, a Gaullist heavyweight, and Mr François Léotard, defence minister in the previous Balladur government.

In his reforms, Mr Chirac has gone out of his way to try to preserve France's military relationship with Germany. He has promised to scrap the redundant Hades nuclear missile, which has so short a range that if fired eastwards from France could hit only Germany, to maintain all important Franco-German joint arms programmes, and to continue the French commitment to the Franco-German Eurocorps.

Though Mr Chirac promised to spare Franco-German programmes from the axe that will fall elsewhere on military equipment projects, defence officials said that with a smaller army France would need fewer of the Franco-German Tiger attack helicopters than it had originally planned. Another casualty is the Future Large Aircraft, a troop transport that France, Germany and some other countries were planning. The draft 1997-202 programme contains no money for this.

Peter Norman adds from Bonn: Germany's Chancellor Helmut Kohl yesterday made clear that his government had no intention of following the example set in France's defence reforms of abandoning conscription.

In a fairly guarded reaction to the French decisions, the chancellor expressed the hope that France would keep a "substantial presence" of French troops in Germany and welcomed Mr Chirac's commitment to more intensive co-operation with Germany in future. The German government expressed particular pleasure at the decision to scrap the Hades missiles.

But Mr Kohl insisted that Germany saw no reason to move to an all-professional army. Ever since Germany rearmed in the 1950s after the second world war, conscription has been seen as an important democratic safeguard that enshrines the idea of the soldier as a "citizen in uniform" and prevents the armed forces becoming a "state within a state" as in the 1920s during the ill-fated Weimar republic.

IMF strikes hard bargain with Moscow

By Chrystia Freeland

Russia must lift most oil and gas export tariffs by April 1 and swiftly close tax loopholes to qualify for the $10.2bn loan which was promised this week by the International Monetary Fund.

Mr Michel Camdessus, IMF managing director, said the preconditions and a monthly disbursement schedule would ease fears which have overshadowed the Fund's negotiations with Russia this election year: that once an agreement has been reached the Kremlin could break its austerity promises and woo voters with a round of heavy spending, or that a post-election Communist-dominated government would try to turn the clock back.

"We have procedures which create a strong incentive in keeping them to their words," Mr Camdessus said.

The IMF's collection of sticks includes an April 1 deadline for the abolition of export tariffs on natural gas and a 50 per cent cut in tariffs on oil. Export tariffs on oil must be phased out by July 1.

Mr Camdessus said these "explicit performance criteria" would make the difference between this year's programme and last year's, when Russia reneged on its pledge to remove the export tariffs.

An even more powerful lever is the monthly disbursement scheme, which differs from the more usual IMF procedure of paying out loans in quarterly tranches.

"They know that if they exceed the monthly budgetary limits established in our programme we would interrupt disbursements," Mr Camdessus said. "That is the beauty of monthly monitoring."

He also hinted that the IMF's strict supervision would be used as a weapon in the battle between reformist and conservative factions within the current government, which is intensifying as the June 16 election approaches.

In particular, Mr Camdessus said Mr Victor Chernomyrdin, the Russian prime minister who is seen as the strongest advocate of a tough reform programme within the ruling elite, believes the monthly monitoring would help him achieve ambitious inflation and budget deficit targets. "Chernomyrdin sees this as an instrument which is very useful for him," Mr Camdessus said. "He is very proud – and rightly so – to have complied with our agreement in 1995 and he intends to continue it in 1996."

Yesterday's state of the union address by President Boris Yeltsin suggested Mr Chernomyrdin will need all the help he can get. In an attempt to distance himself from the painful economic effects of last year's austerity programme, Mr Yeltsin pinned the blame on his cabinet of ministers. He also warned that if living standards did not swiftly improve he would sack the government.

Mr Camdessus admitted: "We in the Fund were a little bit concerned when we saw everyday a new decree [promising more spending]." But the IMF chief insisted that – political pledges notwithstanding – Russia had met the IMF's tough economic standards.

Mr Camdessus insisted he was not in Moscow "to buy votes for President Yeltsin" and brushed off the Kremlin leader's boast of forcing the Fund to reach a deal with Russia by lobbying friendly western heads of state.

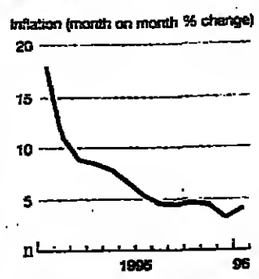
"I don't doubt that President Yeltsin had these conversations with his colleagues," Mr Camdessus said. "But I must tell you that the decision we took was not influenced by these telephone calls."

The Russian government's impressive economic performance over the past year – which has seen inflation fall to less than 4 per cent a month and a stable rouble exchange rate – is a legitimate foundation for the IMF's decision to grant the second largest loan in its history.

But the same austere programme is responsible for the decline in living standards which has embittered voters and dented Mr Yeltsin's chances of re-election. Mr Camdessus is gambling that, no matter what promises he may make on the campaign trail, Mr Yeltsin will quietly continue to feed Russians the low-inflation diet recommended by the IMF.

Russia

Inflation (month on month % change)



Source: Russian Economic Trends & Economist

Italian politicians try to woo Dini and Di Pietro

Ex-PM and ex-magistrate could draw votes, reports Robert Graham

Mr Antonio Di Pietro, who became an Italian national hero for spearheading the anti-corruption drive against politicians, is under intense pressure to become a candidate in general elections in April following the dismissal of charges of blackmail against him.

Overtures are being made from both the left and right. Opinion polls show the former Milan magistrate could bring 5-10 per cent of the national vote behind him.

Another person being courted who could influence the balance of votes is Mr Lamberto Dini, premier since January 1994. Mr Dini is being asked to join the centre-left alliance; but he was reported last night to be planning to form a new centrist party.

Both men will have to make up their minds shortly. Mr Dini was expected to reveal his hand soon. For Mr Di Pietro, the situation is more complex.

Only one of the three charges of blackmail and abuse of office were dismissed by the Brescia judge on Thursday night. In the past, Mr Di Pietro has said he will not enter politics until his name has been fully cleared.

The dismissed case centred on allegations that Mr Di Pietro in 1999 tried to blackmail the then minister of posts to secure a job supervising the computerisation of the Milan judiciary. Mr Di Pietro, a self-confessed computer buff, was also alleged to have tried to secure favourable treatment for two former *carabinieri* who had set up a computing business.

However, he still risks being sent for trial for blackmail and abuse of office for having allegedly obtained a loan and services worth L220m (£91,000) from a Milan businessman involved in an insurance fraud. Mr Di Pietro has admitted receiving the loan but denies any impropriety. All monies were repaid by the end of 1994. The same case concerns allegations he used undue pressure to secure a job as head of Milan traffic police for a friend whose gambling debts he is said to have arranged to have paid off.

A decision whether to dismiss these charges will not be made until after a court hearing early next month. In the meantime a Brescia court is due to consider whether to proceed against Mr Paolo Berlusconi, younger brother of the ex-premier Silvio, and Mr Cesare Previti, defence minister in the Berlusconi government, for allegedly blackmailing Mr Di Pietro into resigning from the magistrature. The Milan magistrate resigned from his job in December 1994, shortly after he had brought charges of alleged corruption against Mr Silvio Berlusconi.

Di Pietro: charges dismissed

Dini: being courted

Mr Di Pietro has had no previous political experience; but he has been so far careful to keep his distance from both the centre-left and the right-wing alliances. Originally his sympathies appeared to be with the right; but the manoeuvres by the Berlusconi camp to undermine him while he was a magistrate would complicate any link with this alliance. His supporters have suggested he create an independent group which could ally with either alliance to form a government.

Mr Dini – who was brought in from the central bank to join the previous Berlusconi government as treasury minister – also appears attracted to the idea that his political capital is greater if he remains independent. A group of prominent figures historically linked to the centre in Italian politics and organised by Mr Antonio Maccanico, the man who this month failed to form a government, is anxious to recruit Mr Dini. This group wants to give the centre-left alliance more electoral appeal by countering the dominance of the Party of the Democratic Left (PDS).

Mr Dini, after a year as premier, could be a key figure in giving such a group credibility. But Mr Dini's long hesitancy indicates his doubts about committing himself to one of the existing groups.

Schneiders flown first-class to German prison

By Andrew Fisher in Frankfurt

Mr Jürgen Schneider, the fugitive German property developer detained in Miami last May after evading arrest for 13 months, arrived in Germany yesterday to face charges arising from the collapse of his business empire with debts of more than DM5bn ($3.4bn) nearly two years ago.

Mr Schneider and his wife Claudia were driven off in separate dark green police vans from Frankfurt airport. With his wispy grey hair – he discarded his tell-tale toupee while hiding in Florida – Mr Schneider looked less haughtily distinguished than when his property fortunes were at their peak.

To avoid reporters in Miami, police flew the Schneiders from Fort Lauderdale in Florida via Chicago. They occupied the whole first-class deck, with reporters kept away from the access staircase. The Schneiders alighted without the handcuffs they had worn on leaving the US.

Mr Schneider, 61, now faces six charges of fraudulent bankruptcy, forgery and fraud, with his wife accused of complicity. Mr Job Tilmann of the Frankfurt prosecutor's office said Mr Schneider's charges each carried a possible sentence of one to 10 years. A Frankfurt judge ordered both to be held in prison until charges were filed, probably in the summer. However, Mr Tilmann said bail was possible for Mrs Schneider.

The trial, not expected to start until at least the end of the year, will concern one of the most spectacular German post-war business scandals, involving hotel, shopping and office developments across Germany. With the Schneider collapse coming close on the heels of the near-bankruptcy of Metallgesellschaft, the metals and industrial group, over US oil futures trading, it put an embarrassing spotlight on German banks' lending.

As both Mr Schneider's biggest creditor and the main institution behind Metallgesellschaft, Deutsche Bank has been particularly exposed. It lent DM1.2bn to Mr Schneider, of which it expects to lose around DM500m after the proceeds from sales of some of the DM3bn worth of property left by the Schneider collapse.

Mr Schneider has claimed that Deutsche Bank precipitated the crisis by refusing him a refinancing package. He denies falsifying plans to persuade banks to lend him more money than his projects justified. In Miami, he said Deutsche Bank had tried to "criminalise" him. The bank said this was "nonsensical".

Spain's Socialists under siege in rural heartland

Growing middle class shifts the political balance in an impoverished region, writes David White

In the village of La Albuera, on the rolling plain south of Badajoz near the Portuguese border, elections are a perfunctory business. People here have stuck with the Socialists since democracy was restored in Spain in the late 1970s.

The 30-year-old mayor, Mr Manuel Diaz, was re-elected last year with more than 70 per cent backing. Of the nine-member local council, seven belong to the Socialist party.

La Albuera, in deepest Extremadura, is typical of the rural support which forms a big part of the remaining Socialist bedrock.

After 13 years in power in Madrid, the party has lost much of the urban vote which swept it into government. Its last main bastions, along with remaining "blue-collar" support in areas such as the outer belt of Barcelona, are the pensioners and farm workers who have been clear beneficiaries of Socialist rule.

La Albuera is a place of low, whitewashed houses, with 1,800 people and 17 bars. Its only tall building is a grain silo, now empty after the fifth consecutive year of drought.

The village's only claim to fame is as the site of a battle in 1811, when British, Spanish and Portuguese troops defeated a French column sent to relieve Badajoz. Byron recorded the event in Childe Harold's Pilgrimage. His lines can be read on a new tiled monument on the main road running through the village.

"Twenty years ago there was nothing here," says Mr Diaz – no electricity, no running water. Now there is a clinic and a cultural centre. Films are shown for free and the streets are being repaired, with new pavements and potted orange trees.

The money comes from regional authorities and the government's Rural Employment Plan (PER), a scheme operating in Andalucia and Extremadura to offset the limited seasonal work available on the big farm estates.

For Mr Diaz, farm labour is the core of Socialist support. About 200 local farm workers depend on the PER for income in the slack periods of the year. This is what critics on the right attack as the "subsidised vote".

Mr Juan Carlos Rodriguez Ibarra, Socialist president of Extremadura's regional government, says conditions are too hard to do away with the system. "It will only disappear when *extremeños* leave school with two languages and a professional qualification or a degree," he says.

Extremadura, which won its name 700 years ago as the farthest extent of Christian conquest, has long been a synonym for backwardness. The dominion of the stork, it is a hard land, with expanses of grazing country.

The Badajoz region has Spain's lowest product per capita, barely half the European Union average. Unemployment, according to the latest official survey, stood at almost 31 per cent in Extremadura at the end of last year. Of the jobs there are, one in five is in agriculture, with a similar proportion in the civil service or public sector.

The Socialist vote in Extremadura and the larger neighbouring region of Andalucia tipped the balance in the last general election three years ago.

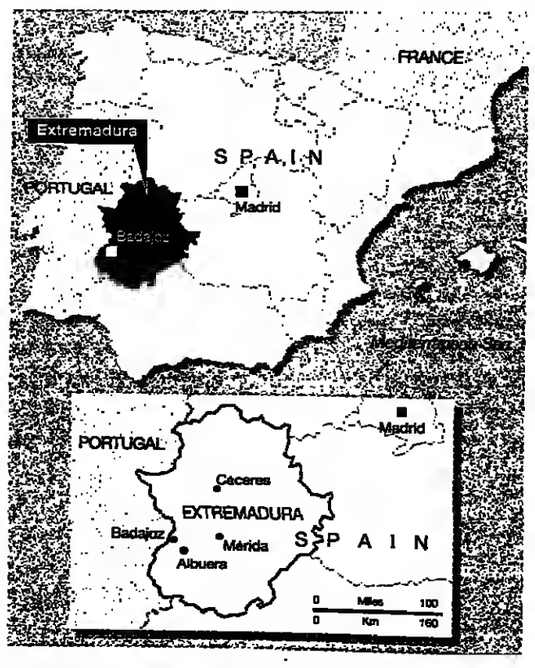
But in local contests last year the Popular party (PP) captured the main Extremaduran towns, including the capitals of the region's two provinces, Badajoz and Cáceres, and the regional administrative seat of Mérida.

"Nothing is permanent in politics," says Mr Rodriguez Ibarra, an outspoken left-winger who has run Extremadura's government since it was set up in 1983. Now 48, he is one of the Socialist party's last regional "barons".

The party's strength, he says, has lain in the welfare system. In Extremadura the Socialist period has radically changed the distribution of wealth, he argues. "A middle class has emerged, similar to the one that existed in the rest of Spain. And now it doesn't want to have anything to do with the welfare state."

The shift to the right among middle-class Spaniards, who often feel they are paying too much in taxes for the services they receive, has come to Extremadura too. At regional level, the Socialists have already lost their outright majority. Now it will be a close race with the PP to see who gets more of the region's 11 seats in Congress.

"The urban voter has turned his back on the Socialists," says Mr Amador Alvarez, 50, chief PP candidate for Cáceres province. A village mayor and – like Mr Rodriguez Ibarra – a former teacher, he puts his faith in plans to reduce red tape for small companies and generate private initiative.



Funds have been poured into the region "as if we were a rich country with money to spare," but not into productive investment, he says. On the other hand, he is convinced Extremadura will continue to need "solidarity" from the rest of Spain.

He believes Extremadura will swing further towards the PP if the party forms the next Spanish government.

People here tend to vote for whoever is in power, he says. "They don't want to be left behind. It's something ancestral." The small-town vote, which has so far remained loyal to the Socialists, could follow the trend of the cities, he adds.

But the mayor of La Albuera is confident: "That is not happening here yet."

THE FINANCIAL TIMES
Published by The Financial Times (Europe) GmbH, Nibelungenplatz 3, 60318 Frankfurt am Main, Germany. Telephone ++49 69 156 850, Fax ++49 69 596 4481. Represented in Frankfurt by J. Walter Brand, Wilhelm J. Brüssel, Colin A. Kennard as Geschäftsführer and in London by David C.M. Bell, Chairman, and Alan C. Miller, Deputy Chairman. Shareholders of the Financial Times (Europe) GmbH are: The Financial Times (Europe) Ltd, London and F.T. (Germany Advertising) Ltd, London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
GERMANY:
Responsible for Advertising: Colin A. Kennard. Printer: Hürriyet International GmbH, Admiral-Rosendahl-Strasse 3a, 63263 Neu-Isenburg ISSN 0174 7363. Responsible Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
FRANCE:
Publishing Director: P. Maraviglia, 42 Rue La Boétie, 75008 PARIS. Telephone (01) 5376 8254, Fax (01) 5376 8253. Printer: S.A. Nord Eclair, 15/21 Rue de Caire, F-59100 Roubaix Cedex 1. Editor: Richard Lambert. ISSN 1148-2753. Commission Paritaire No 67808D.
SWEDEN:
Responsible Publisher: Hugh Carnegy 468 618 6088. Printer: AB Kvällstidningen Expressen, PO Box 6007, S-550 06, Jönköping.

Editor: Richard Lambert, c/o The Financial Times Limited, Number One Southwark Bridge, London SE1 9HL.
R

EUROPEAN NEWS DIGEST

Spain still angry over Eta suspects

Spain reacted angrily yesterday to what it claimed was the continued failure by the Belgian government to co-operate against terrorism. Spain called an emergency meeting of the Schengen convention on cross-border travel last week after the release by Belgium's supreme judicial authority of two suspected members of the Basque separatist group Eta, wanted in connection with bomb attacks by the national court in Madrid.

Spain's secretary of state for Europe, Mr Emilio Fernández-Castaño, said that despite assurances allegedly given by Belgium at the meeting he had failed to receive clear signals that precautionary measures had been taken to monitor the movements of the suspects.

Madrid's sensitivity reflects heightened concern over an upsurge of Basque violence. Spanish security forces are braced for protests this weekend following the arrest of two prominent spokesmen of Herri Batasuna (HB), the radical group that acts as the political wing of the Eta gunmen, over a banned election video broadcast. A chief flashpoint is likely to be an electoral rally tonight in the city of San Sebastian, where the party plans to screen the video, which shows hooded and armed members of Eta demanding self-determination for the Basque Country. Madrid's anti-terrorist court has ordered the confiscation of the video and warned that it will order the arrest of all the members of HB's 26-member governing council if the video is shown at the rally. However, mainstream Basque nationalists parties fear the crackdown will fuel a sympathy vote for HB in the general elections next Sunday. *Tom Burns, Madrid*

German money supply leaps

Germany's money supply grew much faster than usual in January, but this partly reflected technical factors and most economists did not see it as an impediment to further interest rate cuts. The Bundesbank said M3 grew at an annualised rate of 8.4 per cent, well above its 1996 target range of 4-7 per cent. It noted that the M3 trend early in the year was subject to sharp movements because of the short period since the base period of the previous year's fourth quarter. Against the last quarter of 1994, M3's annualised rise was only 3 per cent after 2.7 per cent in December.

The bank said monetary capital formation (investment in long-term bonds outside M3) had been weak because of low bond market interest rates and uncertainties in the market. Bank lending had also strengthened.

Wholesale and producer price indices yesterday pointed to an absence of inflationary pressures in January. Wholesale prices were 1.1 per cent lower than the year before; producer prices were unchanged. The federal statistics office said a 0.7 per cent drop in producer prices between December and January reflected reduced energy costs following the removal of charges to subsidise coal production from electricity bills. *Andrew Fisher, Frankfurt, and Peter Norman, Bonn*

Mercedes recalls cars

Mercedes-Benz is recalling 545,000 of its "C" class cars worldwide to rectify a defective and potentially dangerous catch securing the bonnet, the German company said yesterday. It put the expected total cost of the recall at DM22m ($15m).

The recall involves 250,000 vehicles in Germany, 47,000 in the US and Canada, 22,000 in Japan and 226,000 in the rest of the world, Mercedes said. Mercedes said that the bonnet of "C" class cars had opened in seven cases while the vehicle was moving, though without causing an accident. *AFP, Stuttgart*

French insurance reform plan

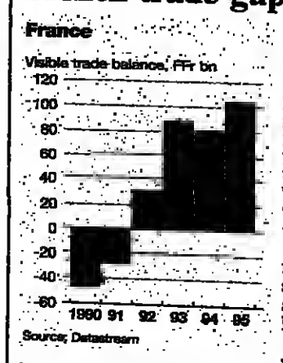
The French insurance sector is to vote in April on accords reached this week which could lead to a substantial shake-up in the way in which policies are sold. The FFSA, the association of French insurers, and FNSAGA, the syndicate representing the country's independent insurance sales agents, reached agreement on Thursday night on removing much of the existing legislation governing relations between France's 17,400 agents, and the insurance groups for which they work, creating far more flexibility for the negotiation of individual contracts. *Andrew Jack, Paris*

New Norway bank chief

Mr Kjell Storvik was yesterday appointed governor of the state Bank of Norway to succeed Mr Torstein Moland, who resigned last year after allegations of tax cheating. Mr Storvik, 65, has been deputy governor 10 years and acting head since Mr Moland resigned on November 19, less than two years into his six-year term. Mr Moland had requested a leave of absence so he could fight a 45 per cent penalty tax imposed by the Oslo tax board. A few days later, he resigned, saying he did not want himself or family subjected to more pressure. Mr Storvik, an economist, worked for the Norwegian Shipowners Association for 20 years, and then as a deputy finance minister from 1981-85 before he was appointed deputy head of the central bank. *AP, Norway*

French trade gap widens

France



Source: Datastream

France reported a record commercial trade surplus of FFr104.5bn ($20.6bn) during 1995, up 27 per cent on the previous year, the government announced yesterday. Exports rose 9.2 per cent to FFr1,427bn during the year, while imports rose 7.9 per cent to FFr1,322bn. The previous record surplus was of FFr87bn in 1993.

Mr Yves Galland, industry minister, predicted that the surplus for 1996 would be approximately the same as last year.

The December figures showed a surplus of FFr7.1bn, including substantial contributions from the sale of seven Airbus for FFr2.5bn.

The positive state of exports contrasted with gloomy projections this week of a rise in unemployment for 1996. The head of the French unemployment assistance agency Unidec predicted the total would rise by 108,000 above the level of 1995. *Andrew Jack, Paris*

■ Switzerland recorded a current account balance of payments surplus of SFr23.5bn ($19.6bn) last year, SFr1.6bn less than in 1994. The current account surplus in the final quarter of 1995 was SFr6.1bn, SFr0.2bn less than in the corresponding quarter of 1994.

■ Sweden's trade surplus was SKr8.3bn ($1.2bn) in January, after SKr8.1bn in December and SKr7.9bn in January 1995.

Clearance for Samsung deal on helicopters

By John Burton in Seoul

The South Korean government yesterday approved a joint venture between Samsung Aerospace and Bell Helicopter/Textron of the US to produce light civilian helicopters in spite of protests from domestic aerospace rivals.

Korean Air and Daewoo Heavy Industries, which both have helicopter projects, accused the ministry of trade, industry and energy of showing favouritism toward Samsung and ignoring its own policy of product specialisation in the aerospace industry.

The planned joint venture to produce 1,200 light twin-engined helicopters between 1998 and 2012 would boost Samsung's position as South Korea's dominant aerospace company.

Korean Air and Daewoo said that the project would allow Samsung to monopolise the domestic helicopter industry.

Samsung is already the prime contractor for assembling Lockheed Martin F-16 fighters for the Korean air force, and it is leading a Korean consortium to develop and produce 100-seat passenger jet aircraft in co-operation with China. Samsung is also negotiating to buy assets of Fokker, the troubled Dutch aircraft manufacturer.

Samsung, which has been providing airframe components and sub-assembly work for the Bell 212 and 412 models since 1987, will invest $60m in developing the new light helicopter, while Bell will provide $240m. Total production would be equivalent to half the world market for twin-engined helicopters.

Samsung will assemble 500 of the 8-seat helicopter, the Bell 427, and supply the airframe for all the planned 1,200 units.

The Samsung/Bell joint venture is a particular blow to Daewoo, which was selected by the South Korean government in 1990 to develop light helicopters for civil and military use.

However officials have so far refused to issue a licence for their production.

Korean Air and Daewoo say the project would allow Samsung to monopolise the domestic helicopter sector in South Korea

Korean Air mainly produces military helicopters, but it announced this week that it is planning to develop civilian lightweight helicopters as part of a $400m expansion of its aerospace activities.

Korean Air has been losing government-related aerospace business to Samsung in recent years, including leadership of the F-16 assembly programme. It protested several years ago when the government decided to switch production of engines for the US-designed Black Hawk combat helicopters from Korean Air to Samsung.

Officials said they approved the Samsung/Bell joint venture to replace an earlier agreement Samsung had with Eurocopter of France to produce a 14-seat helicopter.

Candidates fail to inspire Delaware voters

The state's larger verdict will be none of the candidates deserves to be president, says **Patti Waldmeir**

"Pat Buchanan is the only one speaking to the people who go bowling on Thursday nights."

Mr Pierre S. du Pont IV, former governor of Delaware and an heir of Eleuthère Iréneé du Pont's industrial empire, was reflecting on today's presidential primary election in this most obscure of states.

But among Thursday bowlers at Doverama lanes, cavernous shrine to one of America's favourite social sports, it soon became clear that Governor "Pete" du Pont was not quite right.

Doverama's bowlers are mostly working class Republicans, fitters and welders, housewives, employees at the local airbase.

Even their cigarette consumption patterns set them apart from what is known as du Pont "chateau country" to the north.

They smoke unfiltered Camels, filling the lanes with a scent which is almost a historical curiosity in 1996 America: the politically-incorrect smell of smoke.

But the bowlers did not fit Governor du Pont's stereotype. An unscientific, oral poll of most of the 100-odd league bowlers revealed that hardly anyone planned to vote and many did not even know about the primary – the first in Delaware history.

Republican hopefuls (from left) Lamar Alexander, Pat Buchanan, Bob Dornan and Steve Forbes in Phoenix, Arizona recently. Delaware votes today but Arizona's primary is not until Tuesday Reuter

Those who did know about the vote would have chosen retired General Colin Powell, President Bill Clinton and former President John Kennedy. Two are from the wrong party, one is dead, and the other is not on the ballot.

Whoever wins the Republican primary (and 12 delegates to the party nominating convention), Delaware's larger verdict will be that none of the eight candidates deserves to be president.

Those who do vote will probably deliver victory to Senator Bob Dole, Senate majority leader; possibly to Mr Pat Buchanan, conservative commentator; or just conceivably to Mr Steve Forbes, millionaire publisher, the only mainstream candidate to have campaigned heavily here. But the most interesting figure may be the turnout, probably 20 per cent or less of 139,000 registered Republicans.

Bowling in lane 21, Mrs Edie Crank, an Air Force widow, lamented this fact.

"When I was growing up, every mother wanted her son to be president. But now I wouldn't want my sons to be in politics for anything."

At the far end of the lanes, where a knot of young bowlers stood drinking and smoking between turns, that sentiment was even stronger. None of the youngsters had anything printable to say about the men who would be president.

But there is more to Delaware than Doverama. The state is divided, in terms of wealth, accent and attitude, by the grand expanse of the Chesapeake and Delaware canal.

To the north is chateau country, with its gentry, its smokestack and service industries (because of liberal incorporation and banking laws, many of the largest US corporations are incorporated in Delaware).

To the south is Dixie, land of drawling accents and rural white poverty. Doverama is "south of the canal".

North of the water, also on Thursday, Republicans got together for a very different social ritual: a Rotary club luncheon in Wilmington, the business capital. The venue was the gilded ballroom of the 1911 Hotel du Pont, which the official hotel history describes as being "typical of the Louis XVI period". Just the thing for chateau country.

The guest speaker was Mr Forbes, one of only two candidates to visit the state. All the rest, apart from black conservative Alan Keyes, agreed to shun Delaware after it scheduled its primary too soon after that of New Hampshire; but all appear on the ballot.

Those who did know about the vote would have chosen Colin Powell, Bill Clinton and John Kennedy

The applause was polite, but everyone lamented the poverty of choice. Robert Brandt, a retired Du Pont executive, spoke for many.

"I'm a registered Republican. And though my ancestors would roll over in their graves, I might vote for Clinton. The Republicans just don't have a viable candidate."

Buchanan's comeback, Page 8.

Murdoch's Super League plans kicked into touch

By Nikki Tait in Melbourne and Ian Hamilton Fazey in Manchester

Plans by Mr Rupert Murdoch's News Corporation to set up a rebel rugby Super League were dealt a blow in the Australian courts yesterday.

A judge ruled that previous "loyalty" agreements between Australia's 20 league clubs and the Australian Rugby League did not breach the Trade Practices Act. The court also found that News Corp's representatives had dishonestly induced players to breach existing contracts and join its new breakaway league.

The ruling is a big boost for the ARL and its efforts to keep control of the game.

Mr Ken Cowley, News Corp's managing director, conceded the ruling was "a setback" and said he was disappointed with the decision.

The battle started almost six months ago when the media group started luring both players and clubs from the existing ARL competition. Subsequently it also won support from both New Zealand and UK organisations for its new league.

Mr Maurice Lindsay, chief executive of the UK's Leeds-based Rugby Football League, said the Australian judgment would not affect the new European Super League, in which News Corp is also closely involved.

He said Mr Cowley had assured him after the ruling that "their commitment to the rest of the world is unshakeable. The European Super League will therefore kick off as planned at the end of next month".

Creating European and Australasian super leagues is the central plank of News Corp's plans for the game.

In Europe, the most profound change this has caused so far is to switch the playing of rugby league from winter to summer, with the European season beginning at the end of March to coincide with the Australian and New Zealand rugby league season.

The European Super League will be made up of leading British clubs, plus Paris-St Germain from France, while its southern hemisphere counterpart will be mainly Australian, plus Auckland Warriors from New Zealand.

Mr Cowley, who said News Corp had acted in good faith, went on to claim that "in the sweep of the future of rugby league, this will be viewed as a temporary, albeit painful, reversal". That is likely to be decided next week, however, when News Corp and the ARL will return to the Federal Court in Sydney for further hearings over what compensation or injunctions the ARL is seeking.

The timing of News Corp's Super League move appeared to be closely linked to the introduction of pay television in Australia.

Channel Nine, the leading TV network controlled by Mr Kerry Packer, holds the regular TV rights to rugby league, which is hugely popular in New South Wales and Queensland, while Optus Vision holds pay-TV rights to the ARL.

By setting up its own breakaway league, News Corp would have secured an attractive package to offer rugby enthusiasts on the Foxtel cable service.

As a result of the ruling, the ARL said, players contracted beyond the end of the 1995 season would still be bound to the league.

Murdoch: ruling against him boosts Australian Rugby League's control

Opposition in Australia slips up on tax plan

By Nikki Tait in Melbourne

The penultimate week of Australia's federal election campaign ended yesterday with revelations that the coalition opposition plans to offer individuals sizeable tax-breaks on savings.

News of the savings scheme slipped out in a direct mailshot by the Liberal party to about 2m households. This talked of a cut in the tax on savings interest of up to 25 per cent, but did not mention that the concession is likely to be heavily means-tested.

Mr John Howard, leader of the coalition, appeared at first confused about the letter, which bore his signature, and declined to release full details of the measures. He said these would be available well ahead of the March 2 poll date. The savings policy hitch was the latest in a series of stumbles by the coalition's campaign this week.

The Labor government ministers quickly seized the advantage. "Next he'll be offering us a set of steak knives," quipped Mr Paul Keating, prime minister, who has already attacked the degree of largesse promised by the coalition.

Meanwhile, Mr Ralph Willis, treasurer, claimed that the measure would cost around A$500m-A$600m (US$384m-US$461m) a year, adding to the problems of matching promises and funding measures.

Mr Howard said that talk of a "billion dollar policy" was erroneous, but did not provide alternative costings.

In theory, any move to boost Australia's low savings ratio should be welcome. However, reports on the issue in Australia have expressed some scepticism as to whether bigger tax breaks would actually lead to an increase; the alternative suggestion is that individuals would simply aim for a similar amount of interest income, and save less.

According to recent opinion polls, Labor has been gaining on the coalition, a combination of the Liberal and National parties, but most pundits are divided on whether it will be possible for Labor to make up the remaining ground with a only a week to go.

'Next he'll be offering us a set of steak knives'

Recent polls give the coalition a lead of around 5 percentage points.

■ Bethan Hutton adds from Sydney: Australia's private capital expenditure increased by 1 per cent in the December quarter, according to data released yesterday, down on below the market's expectation of a 1.5 per cent rise.

Expenditure continued to shift towards building and away from plant and equipment.

Total expenditure grew to a seasonally adjusted A$8.36bn in the December quarter from A$8.28bn in the previous quarter. Spending on building and structures jumped 21 per cent, but investment in plant and machinery dropped 7.2 per cent.

Business estimates of total capital expenditure for the 1995-96 financial year increased 3.3 per cent to A$37.46bn from September's estimate, but forecasts for 1996-97 declined.

INTERNATIONAL NEWS DIGEST

US compensates Iranian families

The US has agreed with Iran to pay up to $300,000 to families of each of the Iranian passengers of an Iran Air airliner shot down by a US warship in 1988, the State Department announced.

The department said that in a settlement totalling $131.8m, the two deeply hostile countries also resolved a series of banking disputes stemming from the American hostage crisis in Tehran, which ended in 1981.

The department's spokesman, Mr Nicholas Burns, said that under the settlement, Iranian claims against the US filed before the Hague-based International Court of Justice and an Iran-US claims tribunal were dismissed.

The Iran Air Airbus, flying from the Iranian port of Bandar Abbas to Dubai, was shot down in the Gulf on July 3 1988, by the USS Vincennes, whose crew believed they were being attacked. The Iran-Iraq war was raging at the time. All the 290 people aboard the aircraft, 243 of whom were Iranians, died.

The State Department said that, in line with an offer of voluntary payment made at the time by then-President Ronald Reagan, $300,000 would be paid for each wage-earning victim and $150,000 for each non-wage-earning victim. *Reuter, Washington*

Cuba foils student protest

Plans by a coalition of Cuban dissident groups to hold a public meeting in Havana this weekend have been disrupted by the detention and intimidation by state security police of many of the would-be participants. The campaign of arrests and harassment reported by dissidents over the last week appeared to be aimed at preventing a meeting, scheduled for today, by Concilio Cubano, an alliance of Cuba's small and fragmented dissident groups.

The Cuban government declined to give any details of police operations. "This is an issue of internal order and that is how it is being treated," a foreign ministry spokeswoman said.

She accused the US government of supporting and financing the dissident movement inside Cuba.

The European Union has urged President Fidel Castro (above) to consider political reforms to Cuba's communist system as part of planned talks for a future co-operation accord between Europe and Cuba. *Pascal Fletcher, Havana*

HK groups join for port project

Some of Hong Kong's largest business groups have joined forces to bid for a new river trade port terminal at Tuen Mun, to the west of Hong Kong.

The consortium making the bid will be led by Sun Hung Kai, the property developer, which is diversifying its activities, and Hutchison International Port Holdings, a wholly-owned subsidiary of Hutchison Whampoa, which controls the group's ports and services activities. Other partners are Jardine Matheson and Cosco Pacific, part of China's Cosco group and one of the world's largest container leasing companies.

The companies declined to comment on the financial terms of the bid, which marks the latest step in the expansion of ports in the region. Trade volumes have been growing at annual rates in excess of 10 per cent over recent years as a result of economic expansion in southern China and the Pearl River delta.

■ Hong Kong's consumer price index rose by 5.9 per cent in January, the lowest rate since September 1987, according to government figures yesterday. *John Ridding, Hong Kong*

Prime minister rejects military role for EU

By Bruce Clark, Diplomatic Correspondent

Mr John Major, the prime minister, yesterday rejected the idea of giving the European Union a role in defence matters, and put forward a modest agenda for European-only military missions. He also dismissed the suggestion that Europeans could shoulder the burden of peacekeeping in Bosnia alone if the US stuck by its plan to withdraw its own contingent at the end of the year.

"I don't think the concept of the Americans leaving unilaterally is acceptable," he told the parliamentary assembly of the Western European Union in London.

In a backhanded admission that western nations may not succeed in their aim of stabilising Bosnia within a year, he suggested that Europeans and Americans might need to sit down together to consider future options in Bosnia. "If the work isn't done, then we will have to examine what is needed so the work can be done," he said in reference to the peacemaking effort in former Yugoslavia.

Laying out Britain's agenda for the inter-governmental conference on the future of the European Union, he rejected the idea of endowing the EU with a military dimension by merging it gradually with the WEU.

Both France and Germany have suggested such a merger as a medium-term aim, arguing that it would fulfil the Maastricht Treaty's aim of developing a "common [European] defence policy which might lead to a common defence". But Mr Major reaffirmed Britain's previous objections to the militarisation of the EU. He also added a new emphasis by saying it could complicate the eastward enlargement of the Union, by alienating Russia.

"Giving the EU military responsibilities for which it is not equipped would impede the task of extending stability and prosperity to the east," he said. A militarised EU would "add a new obstacle to central European accession and unnecessarily provoke Russian fears," he added.

Russia opposes the expansion of Nato – which it sees as a mainly military organisation – but it has not objected to the enlargement of either the EU or the WEU, so long as neither acquires real teeth in defence matters.

Mr Major said Britain, as current holder of the WEU presidency, stood by its pledge to upgrade the organisation's capacity to manage military missions – but only "smaller-scale operations" such as humanitarian emergencies.

He confirmed Britain's switch to a more positive line on the creation of a European armaments agency as long as it did not become a bastion of protectionism.

He said Britain saw "obvious benefit" in this proposal, but it still wanted the right to purchase weapons from the US or elsewhere if they offered better value.

Lex, Page 22

California cases may delay flow of cash from Names

By Ralph Atkins, Insurance Correspondent

California's securities regulator launched a series of actions against the Lloyd's of London insurance market and its leaders, threatening to disrupt the collection of significant sums sought from Names in the state.

The attempted move against Lloyd's and more than 100 institutions and individuals involved with it intensified action taken by securities regulators across the US.

The regulators have been prompted by lossmaking Names – individuals whose assets have traditionally supported Lloyd's. Those referred to personally in the Californian action include Mr David Rowland, Lloyd's chairman; Mr Ron Sandler, chief executive; and Mr Peter Middleton, former chief executive. Mr Sandler is currently in the US talking to securities regulators.

Lloyd's described as "outrageous" suggestions that up to $500m might be withheld as a result of California's action. But if Lloyd's were prevented from collecting significant sums from US Names its overall recovery plans would face a further challenge. That might fuel resentment from UK Names prepared to accept an out-of-court settlement offer worth £2.8bn ($4.3bn).

The California Department of Corporations alleges that Lloyd's mis-sold investment in the market and failed to warn potential Names of the risks involved, including those from pollution and asbestos-related claims. The department said that as early as 1970 Lloyd's knew its syndicates could be exposed to massive liabilities.

The department is seeking an order next Wednesday preventing Lloyd's from drawing down on letters of credit. The department said that Lloyd's had collected $100m and wanted to collect $400m more. The department wants to freeze $10bn held in trust in the US on Lloyd's behalf to support underwriting there. California also wants to ban Lloyd's recruiting in the state and impose fines of up to $10m.

Lloyd's said it had a firm defence against the allegations. It said Names were no longer recruited in the US. It would co-operate with the US authorities but a negotiated settlement with lossmaking Names remained its aim.

US Names have prompted similar actions by securities regulators in Illinois, Ohio, Arizona and Colorado with others are expected to follow.

LLOYD'S
LLOYD'S OF LONDON

Inward investment Site decision is partly a response to Siemens move

Birmingham aims to boost share

By Richard Wolffe in Birmingham

The battle among Britain's regions for investment from other countries intensified as Birmingham, the country's second-largest city, earmarked a 140ha site for development to compete with its northern rivals.

Birmingham council said the greenfield site, which could accommodate two or three big projects by the end of this year, would help to solve what it called "the desperate shortage" of suitable land.

The council's proposal is partly a response to Siemens' decision last year to locate its £1.1bn ($1.7bn) semiconductor plant in north-east England. In spite of its success in attracting smaller investments, the west Midlands area which includes Birmingham has failed to win big projects because of its lack of land in government-assisted areas.

Mr Nigel Peardon, Birmingham's assistant director of development, said: "When we consider major international projects which require a large area of land, we have been unable in recent times to provide the sites in the west Midlands.

"We are talking about a very small number of major projects, and the result has been that the investment goes to the north-east, Scotland and even mainland Europe. Unless we can bring forward sites of both quality and scale, we are not going to get on the first rung of the ladder."

The proposed Birmingham site is close to some of the city's most deprived areas, where the average unemployment rate is 14.8 per cent. It is hoped the site may create 3,000 jobs.

Any investment in the area from outside Britain could qualify for financial aid from both the British government and the European Union, and it is hoped that the site will create up to 3,000 jobs.

The land earmarked for the new development is mostly owned by the city council itself, and used as farmland. It is substantially larger than the 85ha business park in north-east England favoured by Siemens.

Although the west Midlands area attracted £1.25bn of capital investment last year from companies outside Britain – a rise of 22 per cent – the environment department has asked municipal authorities in the area to locate two potential sites for large-scale development. The Birmingham site will soon be examined as one of these.

Overseas investment in the north of England*
*Northeast England & Cumbria

YEAR	PROJECTS	TOTAL JOBS	INVESTMENT (£M)
1985	25	4,139	96.530
1986	28	4,934	338.435
1987	28	3,641	303.382
1988	30	3,382	96.610
1989	45	5,787	526.035
1990	51	4,323	418.283
1991	49	4,897	677.496
1992	39	5,497	548.850
1993	43	5,500	147.052
1994	56	11,904	1,006.170
1995	57	8,606	3,018.12
Total	451	62,610	7,174.873

Source: Northern Development Company

Inward investment projects in Wales
APRIL 1995 TO JANUARY 31, 1996

New projects	17
Expansions	34
Acquisitions	6
Total	57
Jobs created	2,977
Jobs safeguarded	4,460
Capital investment	£531m

The figures exclude those projects in which the Welsh Development Agency had no involvement

Source: Welsh Development Agency

Nissan prompted north-east revival

By Chris Tighe in Newcastle upon Tyne

The county of Cumbria in north-west England has been a frustrated onlooker while north-east England has welcomed a stream of inward investors from outside Britain in the past decade, Chris Tighe writes. Cumbria county council has decided that the area needs its own inward investment agency. The new body is to have an annual budget of about £1m ($1.54m) from public and private sector sources. The target date for its creation is July.

Mr John Burnet, county council chief executive, expects smaller district councils to vote on the proposal in the next couple of months. The other leading groups involved are British Nuclear Fuels and VSEL (the shipbuilding group), which support the move, and the West Cumbria and Furness Enterprise development agencies. "By all of us coming together we can get a far bigger budget than in the component parts and more staff geared to the specific project," Mr Burnet said. "By having this organisation we can be far more effective in how we handle the inquiries." The concept requires all parties to abandon parochialism and accept that they cannot fight for every potential investment to come to their local "patch", Mr Burnet said.

The new agency would subsume the work of the Cumbria Marketing Initiative, a public-private sector body. The CMI has been trying for three years with modest success to attract companies by promoting the message that the county is not just a tourist attraction but a high-quality manufacturing location.

North-east England's automotive industry this month notched up its latest investment project, a £24.3m ($37.4m) airbag inflator plant to be developed by American-owned TRW in Peterlee, County Durham.

The region's staple industries in the early 1980s included shipbuilding and coal mining. Talk of an automotive sector would have been inconceivable.

Shipbuilding has vanished and deep mining has shrunk to just one pit. But automotive activity is a dynamic and influential element of the regional economy.

The trigger for this development was the choice in 1984 by Nissan, the Japanese carmaker, of a site on the edge of Sunderland, Tyne and Wear, for its new European plant.

The selection of Sunderland was a boost for the region at a time of traumatic structural change. It was also an endorsement of the principle – since used to good effect in pursuing inward investment from overseas – of setting aside ideological and parochial differences.

Nissan's decision, further bolstered by the subsequent choice of the north-east as an investment base by Fujitsu, Samsung and Siemens, has also been a powerful marketing tool for the region.

"It's been a catalyst for a lot which has happened since 1984," says Mrs Jo Chexal, director of international marketing at the Northern Development Company, the region's economic regeneration body.

In 1984 the region had three Japanese company investments. Now it has 50, plus eight from Hong Kong, nine from Korea and three from Taiwan.

Nissan's most obvious direct contribution to the regional economy is jobs. It employs 4,038 at its £1.25bn plant, plus 300 currently being recruited on one-year contracts, and a further 701 in allied Nissan companies.

In less than 12 years Nissan has become Tyne and Wear's second biggest manufacturing employer and, in employee numbers, its biggest single manufacturing site.

Nissan's jobs are the more important for being mainly manual and predominantly held by men – mostly young men – when much new employment in the region is female-oriented.

Suppliers are benefiting too. In 1995 Nissan spent £745m with 201 European suppliers. Of these, 25 were in the north-east. Nissan's spend with them was £218m. Some, such as Elta Plastics and Talent Engineering, were already well-established companies in the region, but most of the 25 have moved in since the mid 80s. Some invested even before clinching work from Nissan.

This, Mrs Chexal believes, was because they saw in the region a location which, lacking an automotive tradition, did not have "preconceived notions".

Nissan's expanding plant has brought a spin-off for the region's construction sector and £3m a year of business for catering, security, workwear, cleaning and maintenance companies.

Many first-tier suppliers are within a few kilometres of the plant. Of Sunderland's 15 biggest employers, five are automotive sector manufacturers. The automotive sector employs at least 9,000 people in the Sunderland area.

Mr Ian Gibson, chief executive of Nissan Motor Manufacturing (UK), estimates the regional figure at more than 15,000. He forecasts that by 2000 the sector will grow to employ about 25,000 people, mainly through expansion by suppliers.

Automotive suppliers worldwide are under fierce pressure to improve quality standards and cut costs. But Ms Janet Snaith, Sunderland city council's economic development team leader, believes that the north-east's recent automotive investments are likely to be winners as lesser performers are squeezed. "They are ahead of the game," she says.

In future people will see the arrival of Nissan as a "great pivotal step" in the transformation of north-east England, says Mr Gibson.

Security fears prompt clawback of 'peace' cash

By James Harding at Westminster

The British government's Northern Ireland Office will recall £150m ($231m) that was to be made available in the next three years to fund health, education and environment projects in the region. The move is in response to concern after the London bombings about the prospect a return of town-centre bombing in Northern Ireland, with a resulting need to spend much more on security.

The decision signals fears in the Northern Ireland Office of a worsening campaign of terrorist violence in spite of continued government efforts to revive the peace process. Sir Hugh Annesley, the Northern Ireland police chief, met senior officers yesterday to assess the threat of a renewed Irish Republican Army campaign in Northern Ireland and to confirm the need for military support.

The Corporation of London, the municipal authority for the City, plans to enlarge the scope of its protective "ring" around the City as part of an attempt to pre-empt any heightening of the Irish Republican Army's terrorist campaign in mainland Britain, Jimmy Burns writes.

Corporation officials are urgently consulting businesses, police and neighbouring local authorities on a scheme that would include two additional checkpoints, encompassing Ludgate Hill and the whole of Broadgate, a setting for numerous new office developments.

A draft proposal for the scheme by the corporation's engineers says that the low cost – £1m ($1.54m) – would provide extra security without provoking excessive traffic congestion. Mr Michael Cassidy, chairman of the corporation's policy and resources committee, said yesterday that the move was aimed primarily at overcoming any lingering complacency among businesses and the public about the IRA.

"Businesses need to be made aware that the latest IRA campaign is not a one-off but could be developing into something more brutal and longer-term," Mr Cassidy said.

Military patrols were gradually scaled down after the IRA ceasefire announcement in August 1994, but were back yesterday morning, assisting the police after two bomb alerts in Belfast, the Northern Ireland capital. Extensive redeployment of army patrols to back up the police was expected to start last night and continue during the weekend.

Sir John Wheeler, a Northern Ireland minister in the British government, has told his junior colleagues that the resumption of IRA violence will require a return to pre-ceasefire security spending, in particular additional financial burdens to cover police overtime costs and damage compensation.

In a separate development, most of Whitehall in central London was shut off in the middle of the day yesterday when an unattended package left just a few hundred metres from Downing Street was thought to be a bomb. The green hold-all turned out to contain sports kit, but the arrival of scores of police officers and a number of ambulances reinforced a sense of heightened government fears about another weekend of IRA violence.

● Officials of the British and Irish governments will spend the weekend trying to set up a summit between Mr John Major and Mr John Bruton at which the two prime ministers hope to announce a date for all-party talks on Northern Ireland and the basis for elections. Aides of Mr Major said he hoped the meeting would take place by Wednesday if agreement could be reached on ways of pushing the peace process forward.

However, the security services fear that even if there is significant progress in pushing forward the peace process, the IRA's bombing campaign is likely to continue for at least a year, with the terrorists focussing their operations on London.

On a day of intense political contacts involving the two governments and the parties, President Bill Clinton telephoned both Mr Major and Mr Bruton. Mr Anthony Lake, the White House national security adviser, said the question of a renewed US visa for Mr Gerry Adams, president of Sinn Féin, the political wing of the IRA, was not raised in the telephone conversations.

UK NEWS DIGEST

Leeson's wife seeks job with Branson airline

Mrs Lisa Leeson has applied for a job as a stewardess with Virgin Airways. One of the perks of the job would be free flights to destinations served by the airline. That would make it easier for Mrs Leeson to visit her husband Nick Leeson, the former derivatives trader with the Barings merchant bank who is now serving a 6½-year sentence in a Singapore jail for "cheating". The airline is hiring 400 staff to add new routes to the Far East and north America, and Mrs Leeson is one of the applicants. "Hopefully she'll be on board soon," said Mr Richard Branson, Virgin chief executive. Mrs Leeson was in London yesterday to promote her husband's account of his life and the collapse of Barings. The book was ghosted Mr Edward Whitley, a journalist and former merchant banker who is now working with Mr Branson on the entrepreneur's autobiography. With Mr Whitley as a referee, Mrs Leeson wrote to Mr Branson and was invited round for a chat. Her final interview will be next week.

Nicholas Denton, Financial Services Staff

EU tax allowance rule adopted

The government fended off a potential clash with the European Court over fiscal policy by extending personal tax allowances to European Union nationals working in Britain. The announcement angered several Eurosceptic MPs in the governing Conservative party. From April, citizens from the 15 EU member states plus Norway who are non-resident in the UK will be entitled to the same tax rights as those from the Republic of Ireland and the Commonwealth. The UK Treasury confirmed that this would cost £10m ($15.40m) in the 1996-97 fiscal year and £20m in subsequent years. "The government felt it was sensible to bring this up to date within the single market and to get rid of anomalies," a Treasury official said. But the opposition Labour party claimed that the decision was directly linked to two recent judgments by the European Court of Justice, ruling against fiscal "discrimination" against non-nationals in EU states. By including the Republic of Ireland and not other EU countries, the British government risked being accused of giving Ireland an unfair advantage.

John Kampfner, Westminster

Music star clashes with RCA

Robbie Williams, the teen idol who left Take That last summer, is blocking the release of the band's *Greatest Hits* album and is going ahead with plans to take RCA, its record label, to court on Monday in an attempt to sever his contract. Senior executives of RCA, part of Bertelsmann, the German media group, spent most of yesterday locked in talks with Williams and his advisers trying to persuade him to stay with the company and prevent the case from going to court.

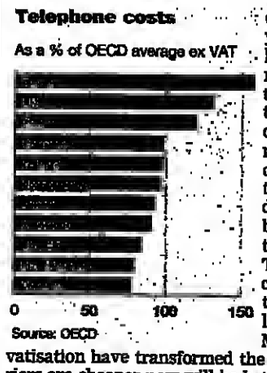
The talks failed and the two camps will meet in court on Monday for what promises to be the most controversial legal action in the UK music industry since George Michael unsuccessfully sued Sony Music in 1993. Robbie Williams is challenging the "leaving member clause" in Take That's record deal, which stipulates that anyone leaving the band remains under contract to RCA. He claims that the clause, which is common in the music business, is a restraint of free trade.

Holly Johnson, former lead singer of Frankie Goes To Hollywood, successfully challenged a similar clause in his contract with ZTT in 1988. Other provisions in his contract were different. The contracts of the other four members of Take That, which last week announced it was splitting up after a highly successful career, also contain "leaving member clauses". RCA is anxious to enforce the clause with Robbie Williams in order to prevent the other four auctioning themselves off to rival companies. A number of other record labels, notably EMI and Virgin, both subsidiaries of the Thorn EMI leisure group, have held talks with Robbie Williams.

Alice Rawsthorn, Consumer Industries Staff

Out of Tune, Page 9; Lex, Page 22

Telenor beats Mercury



The UK's Mercury Communications has for the second year running been edged out by the Norwegian telecommunications operator Telenor for the title of cheapest international operator in the OECD countries. Telenor says automation is the secret of its success. The chart shows the relative costs of calls abroad for a defined basket of international business calls over the public telephone network. British Telecommunications is fifth cheapest while, surprisingly, the US is close to the top of a list, headed by Turkey and Mexico. Liberalisation and privatisation have transformed the market. Countries whose carriers are cheaper now will be better prepared for global competition, which will depress prices.

Alan Cane, Industrial Staff

Channel tunnel hits ferry trade

The number of ferries from Dover in south-east England to Calais in France will almost certainly have to be cut this year, says Mr Jonathan Sloggett, managing director of the Dover Harbour Board. He says the ferries are running an unsustainable number of crossings, because trains that use the Channel tunnel are increasing their market share. P&O Ferries, the biggest operator, is running five ships. Stenna Sealink is operating four vessels plus a Seacat "supership". Sea France, the French operator, runs three ships.

Stewart Dalby, London

Strong turnround in profits from trading offset by weak lending

UBS edges ahead 3.8% in year

By Ian Rodger in Zurich

Union Bank of Switzerland, the country's largest bank, achieved only a 3.8 per cent rise in net income last year to SFr1.68bn ($1.4bn), as weak results from lending and commission businesses offset a strong recovery in profits from trading.

Mr Robert Studer, outgoing chief executive, conceded that the 7.5 per cent return on equity was "not satisfactory", and forecast the bank would only see significantly higher earnings from the troubled domestic lending side "over the medium term".

The results, which were also affected by accounting changes, were at the lower end of investors' expectations but the bearer shares rose SFr4 to SFr1.233 in a strongly rising Zurich market. "It remains a pretty expensive stock if they continue to manage the bank the way they are now," Mr Ian McEwen of brokers Merrill Lynch in London said.

UBS has been criticised for having high operating costs and excessive equity capital. Shareholders' equity stood at SFr23.9bn at the end of December, and the group's BIS capital ratio reached 11.8 per cent, of which 9.7 per cent was tier one capital.

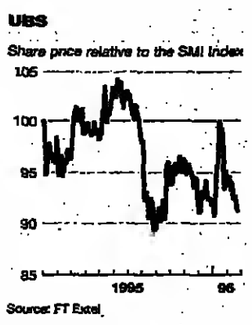
Mr Studer said "fundamental changes" were being made to the bank's lending policy and be expected further reductions in domestic retail branches and staffing.

Mr Studer, who will be succeeded next Friday by Mr Mathis Cabiallavetta as chief executive, has been nominated to become the bank's chairman at the annual meeting in April. However, Mr Martin Ebner, chairman of the BK Vision investment fund, the bank's largest shareholder, has indicated he may try to win enough shareholder support to block his election.

Net interest income fell 7.2 per cent to SFr3.45bn. Mr Studer said this "disappointing" performance was due to a high level of interest arrears, lower income from investing the group's own equity and the costs of converting fixed rate mortgages to floating rate.

Net commission income was down 1.2 per cent to SFr3.99bn, as a margin squeeze in the increasingly competitive asset management business offset doubled profits from underwriting and corporate finance. Income from trading soared 55 per cent to SFr1.73bn.

Total operating income rose 7.5 per cent to SFr9.93bn. Operating expenses rose 9.3 per cent to SFr6.15bn, reflecting greater performance-related pay and the build-up of corporate finance staff in the US. That left operating profit up 4.6 per cent to SFr3.78bn. However, the weak Swiss economy and property price slump forced the group to raise its depreciation and provision charges by 21 per cent to SFr1.89bn, prompting a 7.8 per cent fall in pre-tax profits to SFr1.89bn.



French Connection sees sharp profit contraction

By Motoko Rich

Shares in French Connection plunged 41p to 145p yesterday after the clothing company warned that pre-tax profits had more than halved in the year to January 31, reflecting difficult trading conditions, particularly in the US.

Nonetheless the group, which owns both the French Connection and Nicole Farhi names, said it would pay its first dividend – of 2p – since the 1990-91 year.

In a trading statement ahead of its results, which will be announced in April, the group said that although profits to the second half were up on the depressed £1.28m (£3.07m) reported halfway, the full year outcome was likely to drop to £3.4m (£6.9m).

Weak US sales have continued into the second half.

Mr Nicholas Mather, finance director, said: "I think we are just suffering in line with lots of other people in the retail market. It is very competitive in the US."

He said the wholesale division was hit particularly hard.

In the UK and Europe, the group had not received repeat orders for its wholesale stock.

Mr Mather added that while December sales had been fairly strong, "January was a little bit disappointing".

However, he said there had been no stock problems as discounting during the winter sales had helped the group clear its inventory.

"There is no hangover into the new year."

Summer collections produced by both the French Connection and Nicole Farhi labels had been "well received", but the group said it was too early to comment on trading in the current year. Mr Mather added that the long-term strategy was intact and that the group was cash positive.

Alumax rejects takeover move by Kaiser Aluminum

By Richard Tomkins in New York

A merger of two of the biggest US aluminium producers yesterday looked in doubt after Alumax firmly rejected an unwelcome overture from its smaller rival Kaiser Aluminum, which valued Alumax at between $1.8bn and $2bn.

If the merger went ahead, it would create the world's third biggest aluminium producer. But Kaiser has not made a formal offer and it was unclear yesterday whether it was prepared to become involved in a hostile bid.

Kaiser, with revenues last year of $2.2bn, makes primary aluminium and finished products, such as soft drink cans and parts for the auto and aerospace industries. Although quoted on the stock market, it is 62 per cent owned by Maxxam, a quoted company controlled by Mr Charles Hurwitz, a US financier.

Alumax is another big producer of aluminium ingots and billets, and also makes finished products for the building and construction, transport and packaging industries. It had revenues last year of $2.93bn.

Kaiser's tilt at Alumax is intended to put the company under shareholder pressure to get involved in bid talks. It resembles the recent approach by Mattel for the rival toy company Hasbro, which ultimately fizzled out.

Kaiser said it was ready to offer between $40 and $45 for each of Alumax's common shares, made up of $30 in cash and the rest in Kaiser stock. Alumax's stock jumped 18 per cent in early trading yesterday, gaining $5¾ to $38¼.

Kaiser said a merger of the two companies would create a larger, more competitive group "with leadership positions in every stage of production". It would offer a full range of alumina, aluminium, semi-fabricated and finished products to a diverse customer base around the world.

However, Alumax revealed it had taken a close look at the possibility of acquiring Kaiser 18 months ago, but decided to back off.

"The deal didn't make sense. We didn't see sufficient synergies. We did see major problems," said Mr Allen Born, Alumax's chairman and chief executive.

Rogerson's drive to the top is put to the test

Peggy Hollinger profiles the man tipped to head TransCo International in British Gas's demerger

There is a saying that if the chief executive's golf bandicap is less than 10, it's time to sell the shares. Yet even with a handicap of six, Mr Philip Rogerson, the former British Gas finance director, is still bot favourite to run BG's pipeline business, TransCo International, when it is demerged next year.

Mr Rogerson's talent for golf should not come as a great surprise. Golf, so it is said, takes a steady band, a methodical approach and a keen eye for the long view. Acknowledged as one of the brightest graduates of ICI's finance division in the run-up to demerger, he has all of these traits, according to colleagues.

It is perhaps more surprising that he should be rumoured as the most likely candidate for what is perceived by some as the plum job in a demerged British Gas. TransCo International – which will comprise the UK pipeline and BG's international businesses – is expected to overwhelm its other half, British Gas Energy.

A tall, cerebral man, Mr Rogerson has been accused of being aloof and frustratingly secretive, characteristics unhelpful to those expecting to follow such a large company. As one of the first outsiders appointed to the BG board, many bad expected him to shake up the company's secretive culture. Instead, "be went native" in the words of one analyst. "I find him incredibly hard to get anything out of," said another. "He is a highly political animal who plays his cards close to his chest."


Philip Rogerson: lack of pretension stands him in good stead

Nor do critics – or even his fans, for that matter – describe him as dynamic, although all acknowledge him as quietly personable. "If you asked me would he set the world on fire, I would have to say probably not," said one corporate financier who has known and liked Mr Rogerson since his days at ICI. "He is not out there generating lots of his own ideas – he is not a marketer. His approacb would be more 'let's test the ideas we have been given'."

On the other hand, his addiction to golf perhaps gives some clue to the ambition which burns behind an intensely private and unflasby facade. "He is very competitive and gets annoyed when be loses," says Mr Trevor Harrison who worked with him at ICI and is often badgered into a round of golf. His main aim on the golf course now, according to friends, is to beat his 21-year-old son, Simon, wbose handicap, to his intense frustration, is two strokes better than his own.

Colleagues say that although he might be accused of lacking flair, his ability to tackle complex issues and his methodical approach make him particularly suited to running what will, in effect, be a straightforward utility business. "He is very solid, a safe pair of bands," says one banker who has worked closely with him.

He is also particularly skilled at remaining detacbed from day to day problems.

Ms Prue Leith, the caterer and a fellow director with Mr Rogerson on the Halifax Building Society board, says that his comments, although not frequent, were crucial to getting through recent difficult times. "He always managed to keep carefully in balance what really mattered," sbe says.

As the potential head of a heavily regulated business, where frank negotiations with Ofgas will be crucial to its success, Mr Rogerson's lack of pretension should also stand him in good stead. "There are no airs and graces about him," one banker says.

His addiction to golf perhaps gives some clue to the ambition which burns behind an intensely private and unflashy facade

Perhaps this fact has been one of the key reasons for moving him from the post of finance director in 1994 to nurse TransCo through its latest annual price review. He is also in charge of BG's east Asian interests, a job which until the shape of the proposed demerger became known appeared to sit oddly with the TransCo responsibilities. Now that BG has decided that its exploration and production interests should run beside the pipeline division, with the controversial long-term gas contracts and domestic businesses transferred to British Gas Energy, Mr Rogerson's responsibilities begin to assume a more logical shape.

It is clear that he has a beadstart in applying for the job of leading TransCo International. Not only has he been chairman for the past 21 months, but he was also a key player in setting out ICI's exploration and production strategy in the late 1980s. When, in 1987, ICI injected its E&P assets into Enterprise Oil in return for a substantial stake, be was one of the two chosen to sit on the explorer's board.

The question must be, however: for what role would be be best suited? Observers speculate his skills would be far better used in the post of executive chairman than of chief executive, where a certain flair might be required to lead on a day to day basis. One associate said be "wouldn't see the troops charging over the hill" to follow his lead. "But he is open to new ideas and is very meticulous and very thorough."

KLM acts to bolster Northwest links

By Ronald van de Krol in Amsterdam

The president of KLM Royal Dutch Airlines and two fellow senior executives yesterday stepped down from the board of Northwest Airlines, the Dutch airline's US partner, to make way for more independent directors.

The move is designed to ensure that the two airlines' successful commercial partnership is not harmed by a separate legal dispute between Dutch and US shareholders in Northwest.

KLM has always said the dispute was between the shareholders and not between the airlines themselves.

The three new KLM-designated directors, who have yet to be named, will replace Mr Pieter Bouw, KLM president; Mr Rob Abrahamsen, finance director, and Mr Leo van Wijk, KLM's managing director.

"KLM has advised Northwest that it will designate three persons not affiliated with KLM or any other current Northwest stockholder to serve on Northwest's board," Northwest said. "KLM is primarily making this change as a step in enhancing the independence of Northwest's board."

The Dutch airline, embroiled in a legal dispute over a "poison pill" mechanism at Northwest, said the move was designed to reinforce the commercial partnership between the two airlines.

Since the late 1980s KLM and Northwest have worked closely to channel passengers on to each otber's flights. Many KLM and Northwest flights between Amsterdam and the US are operated as joint services.

In November, Northwest decided to introduce limits to share ownership. In effect, these will prevent KLM from exercising an option to lift its Northwest stake from 19 per cent to 25 per cent later in the 1990s. Northwest said KLM was trying to gain control but the Dutcb airline denied this, saying it merely wanted to hold on to rights granted in the past.

Quadramatic buys CAL for £10.2m

By Simon Kuper

Qnadramatic, the specialist engineering group, is buying Controls and Antomation, a maker of temperature controllers for industry, for np to £10.2m.

CAL is 88 per cent owned by Mr Mike Tait, its chairman and founder, wbo will make np to £8.9m from the sale. His wife, Angela, is a director of the company. Mr Tait will be available to Quadramatic on a consultancy basis, while CAL's management will stay witb the business.

CAL will become part of Qnadramatic's instruments division, wbich makes prodncts mainly for measuring and calibrating heat. The division contribnted a third of the group's £10.8m operating profits in the year to September, and £14.7m of its £46m sales.

Mr Glenn Powers, finance director, said the purchase completed an expansion phase for Quadramatic. The group has spent more than £30m on acquisitiona aince October 1993. In the next 18 months it would only consider bnying companies costing up to £3m.

"This is the last piece in the jigsaw," said Mr James Baker, an analyst at Granville Davies, brokers to Quadramatic.

Qnadramatic will pay £2.55m cash and £5.85m through a vendor placing by the broker of about 2.79m new shares, priced at 210p, increasing the number of shares by just over 6 per cent. The shares rose 2p to 218p.

Up to £1.75m more will be paid, depending on CAL's profits this year.

The cash element of the initial consideration represents subscriptions paid by the Gartland Whalley and Barker Group upon the exercise of its warrants for Quadramatic shares at 123p apiece. GWB's holding in Quadramatic will fall from 21 per cent to 15 per cent, still the largest single stake in the company.

CAL made pre-tax profits of £1.27m on sales of £5.5m in the year to September. More than half its sales were in the US.

Rodime debt restructuring raises Bank of Scotland stake to 49.7%

By James Buxton

Restructuring of Rodime's debt will leave Bank of Scotland owning 49.7 per cent instead of 17 per cent of the disc drive manufacturer.

The restructuring, announced yesterday, is designed to keep the company afloat at least until the conclusion of litigation over patent infringement with Seagate, the US disc drive manufacturer, for which no trial date has yet been set.

Under the restructuring $27.4m (£17.7m) worth of secured borrowings from Bank of Scotland will be converted into zero coupon loan stock, and £4.45m of bank borrowing will be converted into ordinary shares at 7p.

Interest on all of Rodime's debt from September 30 1995 will be waived.

Preference sbares will be converted into new ordinary and deferred shares; dividends accruing from September 30 will be waived.

A $5.4m guarantee by a Bank of Scotland subsidiary on a subsidiary of Rodime will be discharged for no consideration.

The restructuring will convert prior charges of $47.2m, including $34.4m of debt, into net liabilities of $27.4m.

3i, the investment capital group, will see its stake fall from 15 per cent to 11 per cent, reflecting the fact that it had a mncb smaller holding of preference sbares than Bank of Scotland.

Verity shows 36% advance

Verity Group, the electronic equipment and musical instruments gronp, raised interim pre-tax profits 36 per cent from £909,000 to £1.24m.

Turnover grew 53 per cent to £23.1m, of which the Premier and Quad acquisitions accounted for £6m.

On a directly comparable basis, excluding the two acquisitions, pre-tax profits for the six months to December 31 improved 56 per cent.

Earnings per share were 0.5p (0.3p) and the interim dividend is 0.05p (nil).

Salomon poaches Merrill broking team

By George Graham, Banking Correspondent

Salomon Brothers bas stepped np its efforts to build a large UK equities broking business by poaching a highly rated team of analysts from Merrill Lynch.

Mr Richard Dale, Mr David Forster and Mr Ivor Jones, who are rated by several surveys as the top team of analysts covering the European media industry, will join Salomon when they have worked out their contracts at Merrill.

They will join a Salomon research team which has more than doubled in size in the past 12 months to a total of 37 analysts. The New York-based broker has, however, found it difficult to penetrate the European market.

""We expect further important additions in the coming months," aaid Mr Albert Richards, Salomon's head of European equity research. Salomon has also expanded its European equity sales and trading staff and hired more staff for equity derivatives and convertibles.

For Merrill Lynch, the team's departure represents part of the fall-out from its takeover last year of brokers Smith New Court.

Senior Merrill officials acknowledge that they had wanted Mr Dale and his colleagues to atay, but said they had always expected a number of Smith New Court analysts to leave shortly after the payment of annual bonuses.

Mr Dale waa depnty head of UK research at Smith New Court before the takeover.

Panel rebukes Lazard over BET takeover

By Tim Burt and Geoff Dyer

The Takeover Panel yesterday criticised Lazard Brothers, the merchant bank, over its handling of last week's announcement of a £1.8bn hostile bid for BET by its client Rentokil, the environmental and industrial services group.

The panel said Lazard failed to keep it fully informed of Rentokil's intentions and should have acted more quickly to prevent a false market in BET's shares.

Lazard and Rentokil declined to comment last night.

The panel launched an investigation last week following a sharp rise in BET's share price ahead of the announcement. The movement is also being scrutinised by the Stock Exchange.

BET's shares rose by more than 15 per cent to 163p last week before Rentokil first announced that it was considering a bid. On Friday last week, the shares subsequently jumped to 195½p after Rentokil announced its hostile offer.

Mr Bill Staple, director general of the panel, said: "Our concern is to alert potential bidders and their advisers to act swiftly when there appears to have been a leak."

He urged Lazard and Rentokil to be more alert to the Takeover Code, which requires bidders to contact the panel if rumours of an offer inflate the share price of the target company – in this case BET.

Institutional shareholders in BET, meanwhile, yestarday urged the two companies to explore an agreed deal. The shareholders said they would raise the matter with BET and Rentokil at meetings with both sides over the next two weeks.

Their move follows BET's rejection on Thursday of a Rentokil approach, in which it floated the idea of acquiring 75 per cent rather than the whole company.

Ashley Aintwood

Bill Staple: Potential bidders and advisers should act swiftly when there may to have been a leak

One large BET shareholder said yesterday: "The two companies should sit down and agree a price, rather than engage in a public slanging match. I hope that egos do not stand in the way of pragmatic solutions."

The fund manager was speaking following a day in which more than 12m BET shares changed hands. Some analysts suggested the large volume pointed to heavy dealing by arbitrageurs, who are gambling on Rentokil raising its offer.

Despite the large turnover, BET shares ended the day up just 3p at 199½p. Rentokil's share price, by comparison, rose 8½p to 353p – valuing BET at 198.85p a share.

Some BET investors, meanwhile, voiced concern at fees – expected to exceed £100m – being incurred during the stand-off. One fund manager said they were "mounting at such a rate that they will soon equal the market capitalisation of a decent sized company".

Rentokil is expected to underline the strategy behind the bid when it publishes its formal offer document next week. Mr Clive Thompson, chief executive, said the document would include additional information on the cash and paper offer. Rentokil has offered nine new shares and 800p cash for every 20 BET shares. There is a cash alternative of 179½p a share.

Mounting costs for ING in sorting out Barings

By Nicholas Denton

Internationale Nederlanden Groep, the Dutch bank which rescued Barings, has spent far more time and money than it expected on the legal tangle left by the UK merchant bank's collapse.

When it took over Barings a year ago, ING set aside £10m to meet the costs of the administrators from Ernst & Young. However, the cost is already more than £10m and ING Barings executives expect the total to exceed £20m by the time the Barings companies have been wound up.

ING and Ernst & Young are also disputing the ownership of assets worth about S$40m (£18.4m) held by Baring Futures Singapore. That was the balance left at the derivatives subsidiary after ING paid off most of the losses which Mr Nick Leeson incurred through his unauthorised trading.

Mr Hessel Lindenbergh, chief executive of ING Barings, said the Barings businesses had performed well but the resolution of legal issues had been lengthy, costly and frustrating.

"We are still trying to come to agreement with the administrators. We thought the situation was clear cut. I think they are trying to get something extra out of the deal."

He was also "quite upset" about the attitude of Abbey National, a former joint venture partner of Barings which has issued writs against ING. The treasury operation of the banking group claims that its derivatives joint venture was ended in a way that resulted in foregone profits. More than £30m is believed to be in dispute.

ING has already had to make heavy use of Lovell White, its lawyers, in the course of the official inquiries by the Bank of England and the inspectors appointed by the Singapore finance ministry. Its fees are believed to be substantially more than £1m.

With this week's announcement by the House of Commons' Treasury Select Committee that they are to pursue their inquiries into the Barings collapse, ING Barings faces yet further legal costs.

The Dutch bank is also paying for the legal advice being given by Stephenson Harwood to current and former Barings executives who have been subject to investigation or dismissed by the company.

Some of these executives also face legal action from holders of Barings bonds. They lost about £100m and decided this month to pursue individuals and advisers associated with the bond issue.

ING said its legal costs, though mounting, still came within the 5-10 per cent "safety margin" the Dutch bank had ensured when it agreed to inject £660m into the Barings businesses.

AA Insurance to enter direct underwriting

By Ralph Atkins, Insurance Correspondent

AA Insurance, which sells motor and household policies on behalf of a panel of insurers, is set to trigger fresh upheaval in the personal insurance market by establishing its own "direct" underwriting operation.

The service, available only to the AA motoring organisation's 8.6m members, could lead to further price cutting across the sector.

Mr Mark Wood, AA Insurance's managing director, said members might be able to get discounts of more than 10 per cent by switching from other telephone-based insurers.

The initiative follows an 18-month pilot study. AA Insurance had leared its existing structure, by which it acts as an intermediary rather than underwriter, meant it could not offer sufficiently attractive premiums.

With more than 1m motor policies, AA Insurance is one of the largest private car insurers. Mr Wood said AA's book of business had remained static despite competition, but predicted an extra 500,000 policies could be underwritten by the new service over the next five years. "Our major growth will come from the direct operation."

The new activity, supported by £14m, is scheduled to begin in the autumn with motor policies, after authorisation has been obtained from the Department of Trade and Industry. Household business is expected to be added in 1997.

Meanwhile, independent high street brokers are exploring the possibility of setting up a Lloyd's of London insurance syndicate to provide a low-cost insurance vehicle allowing them to compete with direct companies. And the launch of Broker Direct has been delayed again, from later this year until early 1997.

DCC bids for control of Flogas

By John Murray Brown

DCC, the Dublin-based industrial holding company, yesterday launched an I£27.5m (£25.3m) bid to acquire outright control of Flogas, the liquefied natural gas concern, as the latest step in a three year strategy to consolidate its minority interests.

DCC, which already owned 60 per cent of Flogas, yesterday bought 4.39m shares or 17.3 per cent in the market, paying about I£12m, and announced a bid for the remaining 22.7 per cent at 275p a share. Flogas shares jumped 50p to 285p yesterday.

DCC has interests in the food, energy, computer, and healthcare sectors, and made pre-tax profits of I£25.3m in the year to March 31 1995.

As part of the consolidation exercise, the company raised I£14.1m in January through the disposal of its 29.4 per cent stake in Greenway Holdings, the energy company.

The offer is pitched at 12.8 times historic earnings. There is a partial share alternative of 1 DCC share for each 220p. DCC shares were unchanged at 230p yesterday.

The DCC board said the terms of the offer "will not be improved under any circumstances".

Rothschild Asset Management loses £63m Shetland contract

By James Buxton, Scottish Correspondent

Rothschild Asset Management is losing its contract to manage a £63m pension fund for Shetland Islands council.

The mandate to run the superannuation fund has been awarded to PDFM, a wholly-owned subsidiary of Union Bank of Switzerland.

The council – the local authority in Shetland – said RAM, part of the merchant bank NM Rothschild, had failed to meet performance targets. Its target had been to achieve performance returns in the top quartile of the WM 2000 index, which measures pension fund managers' performance, over a three-year period. Its performance was, however, in the bottom half of the table.

PDFM was selected after a tendering process, partly as a result of its performance in managing the council's £74m Reserve Fund and Harbour Account. This accumulates some of the revenues from the Sullom Voe oil terminal, the main source of the council's income, providing it with an annual revenue of about £25m.

RAM will continue to manage £128m, or two thirds of the council's trust in which it accumulates revenue deriving from rent and disturbance payments on the terminal.

Last July the council summoned four investment managers to answer questions on the performance of its assets. This is becoming increasingly important because the council is now offering substantial cuts in charges levied on the terminal in order to persuade the oil companies, led by Shell and Chevron, to continue using it after the lease expires in 2000.

Monday deadline for Mark One sale

By Neil Buckley

Rival bidders for Mark One, the lossmaking discount clothing retailer, will spend the weekend sorting out their offers for the assets after being given a deadline of midday on Monday.

Mr Philip Green, the retail entrepreneur whose other businesses include Xceptions discount stores and the Owen Owen department store group, will be bidding against Mr Shami Ahmed, founder and chief executive of the Joe Bloggs sportswear business.

Mr Green acquired the bank debt and 92.5 per cent of the shares last week, putting it into administration in the hope of reaching a creditors' voluntary agreement on refinancing.

However, Coopers & Lybrand and Leonard Curtis, the joint administrators, applied to the High Court yesterday for a sale of assets amid concerns that there were insufficient funds for the business to continue trading. The court ordered the assets to be sold no later than midday on Monday.

The 96-store chain has debts of £17m, with £3.3m secured.

NEWS DIGEST

Ascot close to sale of 250 pubs

Ascot Holdings, the property, hotels and pubs group which plans to become an industrial holding company, announced yesterday that it was close to announcing the sale of 250 pubs.

The outlets are the best performing pubs in the group's 430-strong pub division, and contribute the bulk of the division's annual £8.2m revenues and £5.4m operating profits. Analysts expect Ascot to receive about £25m from the sale, representing a modest premium to book value.

When the sale is completed the group, formerly known as Control Securities, will be left with a small number of pubs and hotels and some property interests. While seeking buyers for its remaining assets, Ascot will continue its search for a suitable acquisition in the UK industrial sector.

The group will have about £70m in cash, plus funds from a possible rights issue, available to spend on the acquisition.

Patrick Harverson

Guarded optimism at Greenalls

Greenalls, the UK's largest independent pub chain, yesterday delivered a generally optimistic view on current trading.

Mr Andrew Thomas, chairman, told shareholders at the annual meeting that despite January's extreme weather, the pub business started the year in line with expectations. Comparable drinks sales per outlet in Inns Retail were up 8 per cent and food sales per outlet up 7.3 per cent, although comparable beer sales volume in its tenanted estate were 1.5 per cent lower.

Branded restaurants and lodges achieved increases in food and drink sales of 15.6 per cent and 14.1 per cent respectively. De Vere Hotels improved occupancy levels from 65 per cent to 69 per cent and room rates were up 9.5 per cent.

Boddingtons, the pubs, hotel and nursing homes business acquired last year, was trading in line with expectations, said Mr Thomas. Country House, the health care business, was trading well but with no previous experience of this type of business, Greenalls was reviewing its future.

The shares firmed 6½p to 583½p.

Gary Evans

Gieves stake in Knickerbox

Gieves Group, the Saville Row tailor and publishing group, is starting with the basics of women's wear by taking a 49.5 per cent stake in Knickerbox, the privately-held underwear retailer.

Gieves, which runs the Gieves & Hawkes men's wear chain and licensing division as well as Chivers Press, the publisher, has paid £660,000 to subscribe for 660,000 new shares in Knickerbox.

The lingerie business was founded by husband-and-wife team Ms Janie Godber and Mr Stephen Schaffer in 1986 after they left Marks and Spencer, the high street retailer.

Knickerbox runs 54 outlets in the UK and sells its products through 33 outlets in Sweden, Denmark, the Netherlands, Spain, Hong Kong and Taiwan.

Motoko Rich

Exceptional hits Quayle Munro

Costs relating to the split between the two partners who set up the company in 1983 left Quayle Munro Holdings' interim net revenue before tax at £92,000, against £290,000.

The outcome at the Edinburgh-based corporate finance company for the six months to December 31 was after an exceptional charge of £212,000 relating to compensation and associated costs following the departure of Mr Michael Munro last November.

Earnings per share fell from 5.8p to 1.7p, but the interim dividend is increased to 3.5p (3p) reflecting the company's strong financial position.

IBT launches C shares offer

International Biotechnology Trust has launched a placing and open offer of up to 30m C shares at 100p to raise funds for investment.

Merrill Lynch International is placing 25m of the shares; the rest are available to existing investors.

The trust, which focuses on biotechnology companies, has invested about 90 per cent of its existing funds. The C shares will convert into ordinaries by February 28 1997.

In Brief

■ **AVONMORE FOODS**, the third largest supplier of whey protein products in the US, is investing $20m (£12.9m) to expand its Idaho production facilities. The investment will raise capacity at the two Idaho plants from 60,000 tonnes to 80,000 tonnes.

■ **HALIFAX BUILDING SOCIETY** has appointed SBC Warburg and Merrill Lynch as joint brokers in preparation for its conversion and flotation. SBC Warburg will act as lead broker.

■ **HERALD INVESTMENT TRUST** proposes to issue C shares to raise funds for investment and to broaden its geographic area. It intends to continue qualifying for the full personal equity plan allowance by keeping half the portfolio invested in the UK.

Goodbye to all the village hall stuff

In the third of a series on football clubs' finances **Patrick Harverson** looks at Preston North End

On a winter afternoon in Lancashire, a lone figure in a blue anorak stands for hours in the rain watching construction workers complete the new stand at Preston North End football club.

"You get blokes standing there all day watching it being built. It's as if they can't believe it's happening," says Mr Stephen Caunce, Preston's finance manager.

A suspension of belief is required these days for anyone visiting Preston North End, the 108-year old club that won football's first two league championships, but which now languishes in the lowest of the game's four divisions.

Eighteen months ago Preston was a typical small-town English football club, living off past glories, struggling to keep its head above water and relying on the goodwill and enthusiasm of locals to run the club and manage its finances.

However, since September 1994 it is as if a magic wand has been waved over Deepdale, its dilapidated stadium. Following the arrival of new corporate owners, Preston has gained a stock market listing and built a £4.4m stand – modelled on the much admired Luigi Ferraris Stadium in Genoa.

While this mirrors broader changes that have revolutionised the sport in recent years – the arrival of more profit-oriented owners, investment in modern facilities and the introduction of professional business managers to run clubs – the transformation of the club is also a story of how a large employee-owned manufacturing company wanted to put down stronger roots in its local community.

Mr Lawrence King, finance director of Baxi Partnership, the Preston-based boilermaker that acquired Preston North End in September 1994, says that while the company bought the club because it wanted to contribute more to the lives of Preston people, the acquisition was not made for purely altruistic reasons.

Lawrence King: Baxi's acquisition was not made for purely altruistic reasons

"Baxi wouldn't have invested in Preston North End if we didn't see it making a competitive return," says Mr King, who now doubles as the club's finance director. "A lot of people say football is not a good investment. But leisure is a growing market and we can see the trend in football crowds going up. You can definitely make money now in football."

Yet when Baxi took over the club it was a far from profitable business. Mr Caunce, who was hired as Mr King's number two, explains how he found the club's finances on his arrival. "When I got here it was archaic, village hall stuff. They ran nine cash books – all the different activities had a cash book and a bank account."

To put the club on a proper financial footing meant introducing financial reporting, ordering and invoicing systems. "Now everyone reports monthly to Baxi," says Mr Caunce. Also, a business plan was drawn up and the club's £300,000 overdraft cleared. The objectives were to cut costs, boost gate receipts to a level that covered the wage bill, and build revenues from other sources such as merchandising, sponsorship and advertising.

The strategy appears to be working. Costs have been cut, primarily by reducing the squad from 28 to 20 players, gate receipts have climbed after ticket prices were increased, and sponsorship and advertising fees have grown. Merchandising sales picked up following the opening of a town-centre club shop which took £8,000 in its first week alone. Preston's finance director says the club, after losing £280,000 on turnover of £1.86m last year, is now "back on the road" to profitability.

The most dramatic change at the club, however, was its conversion from a private into a public company in September 1995. Preston's flotation on the Alternative Investment Market was an extension of Baxi's own business philosophy, says Mr King. It "allowed the fans and the local community to put their money where their heart is," he says.

Yet in Preston, hearts are clearly still ruled by the head as few of the fans who follow the team on a regular basis were willing to invest in the club's future. Only 1,064 individuals applied for shares in the flotation, and the bulk of the issue had to be taken up by City underwriters. Mr King says the lack of interest was disappointing, blaming it on the club's lowly position in the league. "Maybe we should have waited until the club had climbed a division or two."

Still, Preston raised £4m from the float, money which has gone towards building the new Tom Finney Stand, which opens next month. Apart from housing 8,000 fans in comfort, it will eventually also be home to a suite of banqueting rooms, a pizzeria and England's first national football museum.

Yet perhaps the best news at the club has little to do with money or business. After cutting the size of the squad and spending only a net £200,000 on new players, Preston is lying second in the Third Division and is well placed to win promotion this year.

Ultimately, Mr King believes Preston, backed by growing business revenues and its large fan base, can emulate the achievements of another famous small-town Lancastrian footballing club.

"There is no one I've spoken to who doesn't feel there isn't greater interest in the club here and greater potential than there was at Blackburn," he says.

Previous articles in this series appeared on February 10 and February 15.

Improving Celtic back into black

Celtic, the Glasgow football club, bounced back into profit in the first half of the year thanks to record pre-season ticket sales and an improved performance on the field, writes Patrick Harverson.

The club, which joined AIM last September, reported net profits of £929,000 in the six months to December 31, against losses of £210,000. Turnover climbed to £8.54m (£5.25m).

In the first half the club returned to Celtic Park after a spell at nearby Hampden Park while its own stadium was being refurbished. The move, combined with better results from the team, boosted gate receipts and commercial revenues.

Season ticket sales after the move more than doubled to 29,500, and gates at the still unfinished stadium averaged 33,000 in the first half. When the £29m refurbishment is complete the stadium will hold 60,000.

Revenues were also buoyed by higher television fees, primarily from the club's involvement in lucrative European club competition.

The club said £3.7m was spent on new players during the first half, with about £1m received from sales. Like many other clubs, Celtic does not put transfers through the profit and loss account. Instead, values are written off over several years.

Celtic said its financial performance in the second half, when it has fewer league games scheduled, would depend on the team's progress in the Scottish cup. Also, it warned that there was pressure to increase player salaries, which were rising "alarmingly". First half operating expenses, which included players' wages, rose 43 per cent to £6.83m.

With the club committed to reinvesting profits in the stadium and the team, no interim dividend is declared.

Telemetrix US arm sells subsidiaries for $4.1m

Telemetrix yesterday announced that GTI, its 57 per cent owned US subsidiary, had sold Esco and Electronic Supply, its distribution arm and operating subsidiary, to QI Electronics for about $4.1m (£2.66m).

The consideration is made up of $2.2m in cash, with the remainder to be paid over six years. Proceeds will be used to reduce debt.

GTI has been accounting for the operating results of the two businesses as discontinued operations since May.

It reported the estimated loss on the sale at its December year end, when it incurred a pre-tax loss of approximately $1m.

RESULTS

		Turnover (£m)		Pre-tax profit (£m)		EPS (p)		Current payment (p)	Date of payment	Dividends Corresponding dividend	Total for year	Total last year
Burlington	Yr to Dec 31	-	(-)	0.174	(0.086)	0.95	(0.3)	0.7	Apr 8	0.6	0.7	0.6
Celtic ϕ	6 mths to Dec 31	8.5	(5.2)	0.93	(0.21L)	-	(-)	nil	-	nil	-	nil
Goodwin	6 mths to Oct 31	9.68	(7.94)	0.54	(0.06)	5.02	(0.56)	-	-	-	-	0.855
Verity	6 mths to Dec 31	23.1	(15.1)	1.24	(0.91♠)	0.5	(0.3)	0.05	Apr 2	nil	-	0.1

Investment Trusts		NAV (p)		Attributable Earnings (£m)		EPS (p)		Current payment (p)	Date of payment	Corresponding dividend	Total for year	Total last year
96 Shin Nippon	Yr to Jan 31 ★	149.2	(148.5)	0.217L	(0.237L)	0.75L	(1.05L)	-	-	-	-	-
Govett Emerging	6 mths to Dec 31	112	(116.6)	0.048	(0.087)	0.13	(0.24)	-	-	-	-	-
River & Merchantile	Yr to Dec 31	210.08	(183.88)	10.05	(10.03)	9.81	(9.37)	2.73	Apr 8	2.45	8.48	9.2

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ♠After exceptional charge. ★ Comparatives restated. ϕAim stock.

COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS

Sugar up on nearby tightness

The world sugar market continued to defy long term supply/demand fundamentals this week as nearby supply tightness drove prompt prices still higher.

"This market is as strong as anything I've ever seen," one trader told the Reuters news agency. "I'm surprised everybody's finding homes for [sugar] at these [price] levels – it's extremely high."

At the London Commodity Exchange the August delivery futures price was trimmed by $2.50 to $358 a tonne in late trading yesterday. But that was still up $3.80 on the week and $18.90 from the beginning of the month.

The May premium remained exceptionally wide, meanwhile, at $22 a tonne, compared with $23.30 at the end of last week and $16 at the end of January. This situation is known as a "backwardation", because it is a reversal of the normal situation where forward prices carry premiums reflecting the extra costs of holding physical material – storage, insurance and lost interest.

Backwardations generally arise when the market is in fundamental deficit, but that is clearly not the case with sugar. Analysts agree that the market is heading for a substantial surplus this season. A report published by London broker C. Czarnikow this week projected that record production of 121.14m tonne in 1995-96 would outstrip consumption by 3.5m tonnes. That figure agreed closely with the 3.65m tonnes E.D. F. Man, another London trade house, predicted a couple of weeks ago and was in the same ball park as the 2.46m tonnes forecast yesterday by the secretariat of the International Sugar Organisation.

"We continue to believe that a surplus of this magnitude, backed by record crops in Brazil, India and Thailand and a good Australian crop, must assert itself before the end of the crop cycle," said the ISO. "Previously we expected this would happen in the first quarter of 1996, but there is no evidence of this so far. Nevertheless, when peak production is reached, around March-April, in the equatorial cane producers, we expect downward pressure to be exerted on prices as supplies of raw and white sugar become more freely available."

In its Sugar Review Czarnikow explained that a succession of unusual factors had masked the market'a bearish fundamentals. "Crops have run late in West Europe, the Caribbean and Central America as well as Thailand," it said. "These delays have found buyers with prompt requirements which have already been deferred with little leeway for further extension. . . Against this backdrop, the USA has not only increased the current [import] quota but US roasters have needed additional supplies in order to unwind earlier swaps of quota for world sugars in their normal re-export business."

At the London Metal Exchange this week a rally in copper prices ran up against stiff resistance and was halted yesterday by disappointment at the failure of LME warehouse stocks to show the expected drawdown. At the close the three months position was at $2,499.50 a tonne, unchanged on the day and $29 up on the week.

Lead prices climbed to 5¼-year highs in mid-week on buying that Robin Bhar, analyst at Brandeis, attributed to "general speculative and [investment] fund interest". He said supply tightness could intensify if cold weather in Europe and North America translated into a high rate of vehicle battery failures.

Richard Mooney

LME WAREHOUSE STOCKS
(As at Thursday's close)
tonnes

Aluminium	+3900	to 675,125
Aluminium alloy	*+1,080*	*to 71,200*
Copper	+50	to 363,050
Lead	–275	to 105,225
Nickel	–106	to 38,894
Zinc	–3,550	to 637,450
Tin	+270	to 10,545

WEEKLY PRICE CHANGES

	Latest prices	Change on week	Year ago	1995/96 High	1995/96 Low
Gold per troy oz.	$398.30	-6.10	$378.40	$415.40	$373.0
Silver per troy oz	$354.50	-12.00	300.15p	378.90p	267.80p
Aluminium 99.7% (cash)	$1589.0	-26.0	$1880.5	$2148.5	$1529.5
Copper Grade A (cash)	$2543.5	+51.0	$2888.0	$3216.0	$2492.5
Lead (cash)	$786.5	+12.5	$573.5	$794.0	$536.5
Nickel (cash)	$8280.0	+42.5	$8420.0	$10180	$6947.5
Zinc SHG (cash)	$1038.0	-	$1035.5	$1208.5	$958.5
Tin (cash)	$6225.0	+40.0	$5400.0	$7175.0	$5095.0
Cocoa Futures Mar	894	-9	$1021	$1050	$830
Coffee Futures Mar	$2081	-27	$2858	$3297	$1803
Sugar (LDP Raw)	$315.5	-1.5	$356.4	$378.1	$288.2
Barley Futures Mar	108.85	+0.10	$104.45	$120.0	$102.0
Wheat Futures Mar	118.5	-	$109.65	$128.0	$111.0
Cotton Outlook A Index	83.15	-1.50	101.05	116.30	83.15
Wool (64s Super)	438p	-	512p	592p	420p
Oil (Brent Blend)	$17.82w	+0.62	$17.11w	$18.155	$15.05

Per tonne unless otherwise stated. p Pence/kg. c Cents lb. w Apr.

BASE METALS

LONDON METAL EXCHANGE
(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY ($ per tonne)

	Cash	3 mths
Close	1588.5-89.5	1617-18
Previous	1600.5-601.5	1629-30
High/low	1576	1621/1607.5
AM Official	1576-76.5	1608.5-9.0
Kerb close		1617-18
Open int.	207,720	
Total daily turnover	41,107	

■ ALUMINIUM ALLOY ($ per tonne)

Close	1345-55	1380-85
Previous	1350-55	1389-90
High/low		1385/1380
AM Official	1340-50	1380-85
Kerb close		1380-85
Open int.	5,148	
Total daily turnover	949	

■ LEAD ($ per tonne)

Close	786-87	778-79
Previous	793-795	784-85
High/low	782.5/782	778/772
AM Official	782.5-83	772-72.5
Kerb close		778-9
Open int.	38,201	
Total daily turnover	5,802	

■ NICKEL ($ per tonne)

Close	8275-85	8385-90
Previous	8330-40	8440-45
High/low	8240/8210	8450/8330
AM Official	8200-10	8345-50
Kerb close		8380-90
Open int.	40,387	
Total daily turnover	10,335	

■ TIN ($ per tonne)

Close	6220-30	6280-85
Previous	6220-30	6280-85
High/low	6205	6280/6260
AM Official	6195-205	6250-60
Kerb close		6270-80
Open int.	16,722	
Total daily turnover	4,982	

■ ZINC, special high grade ($ per tonne)

Close	1037.5-8.5	1055-56
Previous	1042-43	1059-60
High/low	1033/1031.5	1058/1049.5
AM Official	1031.5-32	1049-49.5
Kerb close		1054-55
Open int.	80,344	
Total daily turnover	22,091	

■ COPPER, grade A ($ per tonne)

Close	2542-45	2499-500
Previous	2546-50	2499-500
High/low	2525/2523	2510/2486
AM Official	2522-23	2486-87
Kerb close		2508-9
Open int.	169,129	
Total daily turnover	48,348	

■ LME AM Official £/$ rate: 1.5394
LME Closing £/$ rate: 1.5400

Spot: 1.5410 3 mths: 1.5378 6 mths: 1.5345 9 mths: 1.5307

■ HIGH GRADE COPPER (COMEX)

	Sett price	Day's change	High	Low	Vol	Open int
Feb	118.75	+0.75	119.20	117.50	530	1,483
Mar	116.20	+0.20	117.20	115.00	10,447	16,889
Apr	115.00	+0.40	115.30	114.25	310	1,529
May	114.20	+0.55	115.00	112.80	5,267	12,505
Jun	112.95	+0.50	113.50	112.00	109	736
Jul	111.80	+0.55	112.40	110.60	745	3,339
Total					17,718	46,264

PRECIOUS METALS

■ LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold(Troy oz)	$ price	£ equiv	SFr equiv
Close	398.10-398.50		
Opening	398.70-399.10		
Morning fix	397.75	258.531	471.018
Afternoon fix	398.25	258.822	470.214
Day's High	398.80-399.20		
Day's Low	396.75-397.25		
Previous close	400.00-400.40		

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	4.20	6 months	3.56
2 months	3.90	12 months	3.09
3 months	3.76		

Silver Fix	p/troy oz.	US cts equiv.
Spot	358.25	551.40
3 months	363.30	556.00
6 months	367.90	563.80
1 year	377.65	575.50

Gold Coins	$ price	£ equiv.
Krugerrand	397-400	258-260
Maple Leaf	409.75-412.35	
New Sovereign	93-96	62-64

Precious Metals continued

■ GOLD COMEX (100 Troy oz.; $/troy oz.)

	Sett price	Day's change	High	Low	Vol	Open int
Feb	398.4	-1.4	401.5	397.5	4	122
Apr	399.9	-1.6	401.0	398.1	35,565	113,475
Jun	402.5	-1.7	403.5	401.6	2,405	34,772
Aug	404.6	-1.7	405.6	403.5	545	11,387
Oct	406.7	-1.0	407.0	405.5	29	3,614
Dec	408.8	-1.0	409.5	408.3	429	13,902
Total					39,030	228,583

■ PLATINUM NYMEX (50 Troy oz.; $/troy oz.)

Apr	412.3	-2.0	415.8	411.0	5,386	15,444
Jul	414.6	-2.0	416.0	415.0	473	4,079
Oct	416.8	-2.0	419.5	418.0	347	1,437
Jan	419.1	-2.0	421.0	419.0	3	00
Total					6,214	21,650

■ PALLADIUM NYMEX (100 Troy oz.; $/troy oz.)

Mar	141.30	-0.60	142.50	141.00	849	2,488
Jun	142.50	-0.60	143.75	142.50	1,076	5,271
Sep	143.75	-0.60	-	-	4	107
Dec	145.00	-0.60	147.50	147.50	15	74
Total					1,942	7,920

■ SILVER COMEX (5,000 Troy oz.; Cents/troy oz.)

Feb	543.2	-7.0	-	-	1	1
Mar	543.2	-7.3	552.5	542.5	14,664	38,694
May	550.4	-7.3	557.5	548.0	6,326	32,590
Jul	555.0	-7.3	561.0	553.0	488	10,550
Sep	559.2	-7.3	568.5	555.0	299	10,495
Dec	565.5	-7.3	575.0	561.0	209	6,929
Total					22,022	104,531

ENERGY

■ CRUDE OIL NYMEX (42,000 US galls. $/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	19.30	-0.55	19.84	19.05	49,973	96,878
May	18.70	-0.37	19.14	18.40	22,224	55,573
Jun	18.30	-0.29	18.65	18.05	11,298	40,326
Jul	17.95	-0.33	18.32	17.95	3,585	35,084
Aug	17.80	-0.29	18.05	17.80	2,201	16,528
Sep	17.65	-0.24	17.86	17.65	1,171	17,290
Total					96,241	306,787

■ CRUDE OIL IPE ($/barrel)

	Latest price	Day's change	High	Low	Vol	Open int
Apr	17.63	-0.65	18.28	17.63	18,368	59,017
May	17.05	-0.50	17.60	17.05	5,823	36,612
Jun	16.76	-0.38	17.17	16.76	2,895	24,874
Jul	16.75	-0.12	16.89	16.75	1,098	27,466
Aug	16.55	-0.11	16.65	16.55	675	5,655
Sep	16.46	-0.07	16.57	16.46	334	9,981
Total					N/A	N/A

■ HEATING OIL NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Mar	61.00	+0.47	62.20	59.70	21,726	26,853
Apr	53.95	-0.38	55.30	53.05	11,369	22,447
May	50.50	-0.78	51.75	50.25	2,090	10,723
Jun	48.70	-1.03	50.00	48.70	754	10,360
Jul	49.15	-0.06	49.20	49.00	402	5,906
Aug	49.50	-0.03	49.59	49.50	196	4,731
Total					37,422	98,402

■ GAS OIL IPE ($/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	176.75	-0.50	179.50	174.50	8,409	22,074
Apr	162.25	-	163.50	160.00	4,091	11,945
May	156.25	-	157.50	154.75	613	6,756
Jun	154.25	+0.25	154.50	153.00	234	6,986
Jul	153.00	-0.25	153.50	153.00	58	4,773
Aug	153.50	-0.25	153.00	153.00	70	2,646
Total					13,019	13,407

■ NATURAL GAS NYMEX (10,000 mmBtu.; $/mmBtu.)

	Latest price	Day's change	High	Low	Vol	Open int
Mar	2.585	-0.038	2.725	2.520	42,239	17,296
Apr	2.245	-0.043	2.350	2.210	8,474	24,564
May	2.090	-0.031	2.160	2.080	2,282	18,774
Jun	2.015	-0.021	2.070	1.990	1,132	12,983
Jul	1.960	-0.021	2.020	1.940	494	11,976
Aug	1.915	-0.021	1.970	1.910	264	10,697
Total					56,004	150,367

■ UNLEADED GASOLINE
NYMEX (42,000 US galls.; c/US galls.)

	Latest price	Day's change	High	Low	Vol	Open int
Mar	58.10	-0.94	60.30	58.15	11,779	17,003
Apr	58.90	-1.01	61.05	58.60	10,705	25,619
May	58.30	-1.50	59.85	58.00	4,166	13,339
Jun	58.30	-0.28	58.60	57.85	982	5,624
Jul	56.55	-0.63	57.30	56.55	248	4,094
Aug	55.60	-0.18	55.60	55.60	38	2,861
Total					27,982	68,588

GRAINS AND OIL SEEDS

■ WHEAT LCE (£ per tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	118.50	-	118.45	118.00	30	511
May	121.05	-0.05	121.00	120.60	163	3,607
Jul	123.05	+0.05	122.60	122.60	10	520
Sep	118.90	-	110.80	110.80	20	188
Nov	112.40	-0.05	112.35	112.25	10	1,369
Jan	114.25	-	-	-	-	182
Total					238	6,422

■ WHEAT CBT (5,000bu min; cents/60lb bushel)

Mar	502.75	+7.25	505.50	499.00	15,319	20,754
May	488.00	+5	491.50	485.50	8,285	22,063
Jul	454.00	+6.25	457.50	451.50	11,562	44,406
Sep	456.50	+6.5	457.50	452.50	621	8,150
Dec	464.00	+5.5	466.50	461.50	1,540	5,646
Mar	465.00	+7	465.00	462.50	60	200
Total					37,386	101,479

■ MAIZE CBT (5,000 bu min; cents/56lb bushel)

Mar	380.50	+5.5	381.25	377.50	35,992	93,513
May	383.50	+5	384.25	380.50	29,850	184,883
Jul	378.50	+5.5	379.00	375.00	16,580	111,164
Sep	331.25	+3.5	331.75	329.00	3,165	33,782
Dec	317.25	+3.25	317.75	314.50	9,259	79,030
Mar	321.75	+2.5	322.75	318.50	484	6,065
Total					95,436	511,136

■ BARLEY LCE (£ per tonne)

Mar	108.85	+0.15	108.80	108.50	87	445
May	110.35	-0.30	110.25	110.05	97	448
Sep	105.50	-	-	-	-	32
Nov	107.50	-	-	-	-	244
Jan	110.00	-	110.00	110.00	5	32
Total					184	1,174

■ SOYABEANS CBT (5,000bu min; cents/60lb bushel)

Mar	733.75	+9.75	734.50	727.50	17,698	34,292
May	744.00	+8.75	744.50	738.50	26,548	58,104
Jul	751.50	+7.5	752.00	746.50	9,786	42,129
Aug	751.50	+8	752.00	747.50	976	5,186
Sep	739.00	+8	740.00	737.00	148	3,419
Nov	734.50	+4.75	735.00	729.50	10,524	47,215
Total					66,249	195,135

■ SOYABEAN OIL CBT (60,000lbs; cents/lb)

Mar	24.40	-0.06	24.54	24.35	9,204	19,039
May	24.72	-0.03	24.90	24.70	9,443	27,128
Jul	25.11	-0.05	25.25	25.08	3,442	20,498
Aug	25.27	-0.05	25.45	25.27	325	5,426
Sep	25.46	-0.02	25.55	25.45	329	2,849
Oct	25.63	-0.07	25.78	25.63	172	2,430
Total					23,085	84,828

■ SOYABEAN MEAL CBT (100 tons; $/ton)

Mar	230.9	+3.8	231.0	227.0	6,074	15,937
May	235.1	+4	235.3	232.3	8,961	34,027
Jul	237.9	+3.8	238.2	235.5	5,171	21,618
Aug	237.6	+3.4	237.6	235.0	574	4,107
Sep	237.1	+4	237.3	234.5	226	2,568
Oct	232.2	+2.7	232.0	231.2	182	1,983
Total					22,759	86,717

■ POTATOES LCE (£/tonne)

Mar	200.0	-	-	-	-	-
Apr	175.3	+1.7	175.0	173.0	25	911
May	190.0	+1.5	-	-	-	10
Jun	225.0	-	-	-	-	-
Nov	105.0	-	-	-	-	-
Total					25	999

■ FREIGHT (BIFFEX) LCE ($10/index point)

Feb	1391	-3	1400	1390	18	441
Mar	1425	-	1425	1415	46	699
Apr	1421	+5	1425	1405	14	1,536
Jul	1313	+8	1315	1300	39	1,552
Oct	1348	+8	-	-	-	580
Jan	1390	+10	-	-	-	52
Total					117	4,860

	Close	Prev
BFI	1400	1408

FUTURES DATA
All futures data supplied by CMS.

Spices
Hectic trading in Cochin pushed Malabar pepper offers up considerably, reports Man Producten. A supply vacuum exists as farmers and local speculators hold back stocks. The lack of competing aggravated the situation. Brazil and Singapore joined the upward swing later in the week. The US market contributed good demand for spot New York and forward deliveries. All in all prices for black rose by some 10 per cent and the undertone looked steady. With Indonesia closed, prices for white pepper remained strong. Muntok FAQ spot was US$3,800 a tonne, with Feb/Mar shipment at $3,700 CIF. Indian black pepper MG-1 spot was $2,400, with Feb/Mar at $2,300 CIF. The pimento market was steady with good demand pushing offers for Mexican supplies up. For larger quantities the only alternative is Jamaica, where private exporters are sold out.

SOFTS

■ COCOA LCE (£/tonne)

	Sett price	Day's change	High	Low	Vol	Open int
Mar	894	-4	896	888	1,356	7,969
May	917	-4	921	913	1,583	23,723
Jul	941	-3	945	939	420	12,600
Sep	962	-3	967	962	361	37,115
Dec	978	-3	982	977	265	16,438
Mar	996	-4	1002	996	205	31,817
Total					4,289	138,554

■ COCOA CSCE (10 tonnes; $/tonnes)

Mar	1265	-11	1276	1263	113	759
May	1285	-5	1297	1279	7,792	42,806
Jul	1307	-5	1317	1303	1,971	16,997
Sep	1330	-	1338	1324	113	11,266
Dec	1360	-1	1363	1351	18	10,037
Mar	1388	-1	1385	1385	104	7,445
Total					10,784	93,357

■ COCOA (ICCO) (SDR's/tonne)

Feb 22	Price	Prev. day
Daily	641.00	638.70

■ COFFEE LCE ($/tonne)

Mar	2081	-12	2085	2065	603	7,604
May	1963	-19	1975	1950	1,716	14,646
Jul	1890	-19	1900	1870	100	4,415
Sep	1863	-11	1865	1835	131	2,810
Nov	1831	-20	1870	1830	1	1,276
Jan	1615	-15	-	-	-	142
Total					2,530	30,893

■ COFFEE 'C' CSCE (37,500lbs; cents/lbs)

Mar	117.60	-6.60	124.50	117.25	752	2,720
May	115.00	-6.80	122.90	115.25	4,526	18,221
Jul	113.90	-6.70	121.00	113.80	217	3,760
Sep	113.75	-6.00	119.25	113.75	63	2,451
Dec	112.00	-5.50	118.50	112.00	16	1,259
Mar	112.00	-5.55	115.40	112.00	1	401
Total					5,576	28,919

■ COFFEE (ICO) (US cents/pound)

Feb 22	Price	Prev. day
Comp. daily	111.50	111.87
15 day average	112.16	112.60

■ No7 PREMIUM RAW SUGAR LCE (cents/lbs)

Mar	10.90	-	-	-	-	-
May	11.00	-	-	-	-	-
Jul	11.60	-	-	-	-	-
Total					-	-

■ WHITE SUGAR LCE ($/tonne)

May	380.0	-4.5	383.5	380.0	629	14,434
Aug	357.9	-2.6	359.4	357.4	381	6,466
Oct	322.4	-0.8	323.3	322.2	86	4,270
Dec	311.1	-0.0	312.5	311.7	60	2,527
Mar	307.0	-0.4	-	-	-	681
May	303.7	-	-	-	-	503
Total					1,156	28,881

■ SUGAR '11' CSCE (112,000lbs; cents/lbs)

Mar	12.61	-0.02	12.77	12.53	14,702	24,955
May	11.60	-0.19	11.70	11.53	13,629	59,473
Jul	10.83	-0.11	10.92	10.75	3,489	32,347
Oct	10.52	-0.08	10.58	10.50	1,170	26,104
Mar	10.24	-0.06	10.27	10.22	361	13,546
May	10.13	-0.06	10.17	10.13	220	2,862
Total					33,712	160,630

■ COTTON NYCE (50,000lbs; cents/lbs)

Mar	82.95	+0.82	83.30	81.85	5,845	2,279
May	84.43	+0.88	84.80	83.02	9,876	24,064
Jul	84.85	+0.72	85.30	83.50	2,381	11,283
Oct	80.90	+0.25	80.90	80.45	110	2,188
Dec	78.75	+0.30	78.75	78.40	489	14,572
Mar	79.55	+0.25	79.65	79.45	2	1,245
Total					18,887	58,183

■ ORANGE JUICE NYCE (15,000lbs; cents/lbs)

Mar	123.20	-1.25	125.10	123.10	1,833	5,808
May	123.55	-1.15	125.30	123.25	1,895	8,875
Jul	123.85	-0.90	125.00	123.80	220	1,931
Sep	123.05	-0.95	124.00	123.10	197	1,885
Nov	118.50	-2.70	121.15	120.00	8	561
Jan	110.00	-3.10	121.10	118.00	526	2,275
Total					4,279	21,572

VOLUME DATA
Open interest and Volume data shown for contracts traded on COMEX, NYMEX, CBT, NYCE, CME and CSCE are one day in arrears.

INDICES

■ REUTERS (Base: 18/9/31=100)

Feb 23	Feb 22	month ago	year ago
2147.6	2153.1	2149.9	2298.1

■ CRB Futures (Base: 1967=100)

Feb 22	Feb 21	month ago	year ago
249.73	249.93	241.70	235.78

■ GSCI Spot (Base: 1970=100)

Feb 22	Feb 21	month ago	year ago
196.23	197.05	185.78	177.84

MEAT AND LIVESTOCK

■ LIVE CATTLE CME (40,000lbs; cents/lbs)

	Sett Price	Day's change	High	Low	Vol	Open int
Feb	63.000	-0.825	64.100	62.500	1,826	7
Apr	64.450	+0.200	64.550	64.250	6,236	33,1
Jun	62.700	+0.175	62.850	62.600	2,740	18,84
Aug	62.200	+0.100	62.250	62.050	1,278	10,14
Oct	62.950	-0.125	63.150	62.925	315	9,41
Dec	62.100	-0.275	62.400	62.025	447	5,13
Total					12,947	82,24

■ LIVE HOGS CME (40,000lbs; cents/lbs)

Feb	49.300	+0.2	49.600	48.800	683	5
Apr	46.650	-0.150	47.000	46.150	3,243	12,58
Jun	52.400	+0.350	52.500	51.500	894	9,24
Jul	50.925	+0.250	50.975	50.300	241	2,88
Aug	48.875	+0.050	49.000	48.500	174	4,00
Oct	45.100	-	45.300	45.000	39	2,04
Total					5,346	21,85

■ PORK BELLIES CME (40,000lbs; cents/lbs)

Feb	62.850	+0.350	63.000	61.250	87	14
Mar	61.725	+0.325	62.200	60.650	1,100	2,88
May	62.775	+0.400	63.000	61.050	1,410	3,89
Jul	60.325	+0.550	60.325	58.800	212	1,55
Aug	56.775	+0.400	57.050	55.800	26	312
Total					2,926	8,787

LONDON TRADED OPTIONS

Strike price $ tonne	Calls	Calls	Puts	Puts
■ **ALUMINIUM** (99.7%) LME	May	Jul	May	Jul
1500	130	153	13	26
1600	63	91	44	61
1700	24	48	104	118
■ **COPPER** (Grade A) LME	May	Jul	May	Jul
2400	139	153	20	60
2500	74	91	54	107
2600	33	48	112	170
■ **COFFEE LCE**	Mar	May	Mar	May
1500	467	742	-	2
1550	421	693	-	3
1600	375	645	-	5
■ **COCOA LCE**	Mar	May	Mar	May
875	51	84	8	16
900	35	68	18	27
925	22	53	30	37
■ **BRENT CRUDE IPE**	Apr	May	Apr	May
1700	122	-	-	41
1750	85	60	21	67
1800	51	43	38	-

LONDON SPOT MARKETS

■ CRUDE OIL FOB (per barrel/Mar)		+or-
Dubai	$16.21-6.25w	-0.415
Brent Blend (dated)	$18.85-8.91	-0.410
Brent Blend (Apr)	$17.81-7.83	-0.335
W.T.I.	$19.30-9.34w	-0.365
■ **OIL PRODUCTS** NWE prompt delivery CIF (tonne)		
Premium Gasoline	$178-180	+1
Gas Oil	$193-195	
Heavy Fuel Oil	$98-100	+3
Naphtha	$174-176	
Jet fuel	$210-213	
Diesel	$187-189	
Petroleum Argus. Tel. London (0171) 359 8792		
■ **OTHER**		
Gold (per troy oz)♣	$398.30	-1.90
Silver (per troy oz)♣	546.5c	-12.0
Platinum (per troy oz.)	$411.25	-4.85
Palladium (per troy oz.)	$140.25	+0.25
Copper	123.0c	
Lead (US prod.)	41.75c	
Tin (Kuala Lumpur)	15.72m	
Tin (New York)	293.50c	
Cattle (live weight)†	121.43	+1.59*
Sheep (live weight)†♠	131.67	+1.72*
Pigs (live weight)†	104.07	-7.03*
Lon. day sugar (raw)	$315.5	-1.8
Lon. day sugar (wte)	$405.5	-2.0
Barley (Eng. feed)	Unq.	
Maize (US No3 Yellow)	150.5z	
Wheat (US Dark North)	Unq.	
Rubber (Mar)♥	110.25p	+1.00
Rubber (Apr)♥	110.25p	+1.00
Rubber (KL RSS No1)	406.00m	
Coconut Oil (Phil)§	$745.0w	
Palm Oil (Malay.)§	$520.0	
Copra (Phil)§	480.0y	
Soyabeans (US)	207.0y	
Cotton Outlook'A' Index	83.15	-1.20
Wooltops (64s Super)	438p	

£ per tonne unless otherwise stated. p pence/kg. c cents/lb. r ringgit/kg. m Malaysian cents/kg. u Feb.♥ w Apr. y Feb/Mar. w Mar/Apr London Physical. § CIF Rotterdam. ♣ Bullion market close. ♠ Sheep (Live weight prices). * Change on week †. Yesterdays Gas Oil figures supplied by Petroleum Argus incorrect. It should have read $193-195.

WORLD BOND PRICES

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Day's change	Yield	Week ago	Month ago
Australia		10.000	02/06	109.2100	+0.070	8.61	8.08	8.26
Austria		6.125	02/06	97.3200	+0.320	6.50	6.44	6.16
Belgium		7.000	05/06	101.6600	+0.530	6.76	6.65	6.37
Canada *		8.750	12/05	109.2500	+0.430	7.40	7.16	7.11
Denmark		8.000	03/06	103.4600	+0.580	7.50	7.34	6.94
France	BTAN	7.000	10/00	105.2700	+0.520	5.66	5.63	5.33
	OAT	7.250	03/06	104.5800	+0.750	6.61	6.60	6.34
Germany Bund		6.000	01/06	97.8100	+0.410	6.30	6.18	5.82
Ireland		8.000	08/06	101.3000	+0.100	7.80	7.58	7.30
Italy		10.500	09/05	100.5700	+0.370	10.40†	10.48	10.10
Japan	No 129	6.400	03/00	116.2310	+0.033	2.06	1.98	1.71
	No 174	4.600	09/04	109.6990	-0.080	3.18	3.03	2.88
Netherlands		6.000	01/06	97.9400	+0.440	6.28	6.21	6.53
Portugal		11.875	02/05	113.9100	+1.410	9.50	9.49	9.31
Spain		10.150	01/06	102.8400	+0.850	9.70	9.74	9.28
Sweden		6.000	02/05	83.0850	+0.537	8.81	8.94	8.09
UK Gilts		8.000	12/00	103-15	+1/32	7.12	6.90	6.67
		7.500	12/06	97-08	-5/32	7.88	7.68	7.31
		8.000	10/08	107-26	-5/32	8.00	7.84	7.46
US Treasury *		5.625	02/06	97-27	+2/32	5.91	5.73	5.68
		6.000	02/26	95-06	-4/32	6.36	6.20	6.11
ECU (French Govt)		7.500	04/05	102.6000	+0.680	7.10	7.00	6.88

London closing, *New York mid-day. Yields: Local market standard.
† Gross (including withholding tax at 12.5 per cent payable by nonresidents)
Prices: US, UK in 32nds, others in decimal Source: MMS International

ECONOMIC DIARY – FORWARD EVENTS

TODAY: European Union (EU) single market ministers meeting in Rome.

MONDAY: Commons debates the Scott Report. Annual conference of Organisation of African Unity foreign ministers in Addis Ababa (until February 28). EU foreign ministers meeting in Brussels (to Feb 27). Mr Shankar Dayal Sharma, India's president, to address parliament. EU agriculture ministers meeting in Brussels (to Feb 27). Results from Abbey National and HSBC Holdings. FT conference "New Media & Broadcasting" in London.

TUESDAY: US PPI (January); retail sales (January); consumer confidence (February). Japan industrial production (January). French industry survey (February). Arizona, North Dakota, South Dakota Republican primaries. Brazilian union leaders meet with deputies to discuss pension reform bill. King Hussein of Jordan gives speech on issues facing the Middle East at Chatham House in London. Barclays results.

WEDNESDAY: Government deficit and debt under the Maastricht Treaty (1994/95). Major British banking groups' mortgage lending (January). US CPI (January); trade deficit (December); business inventories (December). French GDP (fourth quarter-preliminary). European Parliament in mini-session (to Feb 29). Standing committee meeting of National People's Congress in Beijing (until March 1).

THURSDAY: Balance of visible trade: whole world – December; non EC trade – January. Energy trends (December). Economic trends (February). New vehicle registrations (January). Full monetary statistics (including bank and building society balance sheets, final M4 and lending, personal borrowing, public sector funding, money market, sterling commercial paper and medium-term note issues, interest and exchange rates) – January. Caribbean summit in Guyana. Bundesbank council meeting.

FRIDAY: Agricultural survey (December). US NAPM index (February). Bank of Japan releases Tankan report (February). Mr John Major, prime minister, attends inaugural Asia-Europe summit in Bangkok (to March 2).

US INTEREST RATES

Latest		Treasury Bills and Bond Yields			
Prime rate	8¼	One month	4.93	Two year	5.08
Broker loan rate	5.21	Two month	4.97	Three year	5.21
Fed.funds	5⅛	Three month	4.95	Five year	5.45
Fed.funds at intervention	-	Six month	4.97	10-year	5.88
		One year	4.95	30-year	6.36

BOND FUTURES AND OPTIONS

France

■ NOTIONAL FRENCH BOND FUTURES (MATIF) FFr500,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	120.68	121.20	+0.70	121.52	120.64	196,954	149,799
Jun	120.70	121.26	+0.70	121.50	120.70	4,953	21,560
Sep	119.58	120.10	+0.86	120.32	119.58	388	2,348

■ LONG TERM FRENCH BOND OPTIONS (MATIF)

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
119	-	-	2.66	0.03	0.71	1.55
120	1.24	2.28	-	0.06	0.99	2.00
121	0.46	1.60	-	0.26	1.34	-
122	0.11	1.17	-	0.87	1.76	-
123	0.02	0.78	-	-	-	-

Est. vol. total, Calls 28,560 Puts 31,797. Previous day's open int., Calls 218,920 Puts 215,077.

Germany

■ NOTIONAL GERMAN BUND FUTURES (LIFFE)* DM250,000 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	97.45	97.72	+0.42	98.05	97.35	240827	193953
Jun	96.64	96.92	+0.43	97.25	96.58	26042	78355

■ BUND FUTURES OPTIONS (LIFFE) DM250,000 points of 100%

Strike Price	CALLS Apr	CALLS May	CALLS Jun	CALLS Sep	PUTS Apr	PUTS May	PUTS Jun	PUTS Sep
9650	1.00	1.24	1.43	1.40	0.58	0.82	1.01	1.81
9700	0.71	0.95	1.15	1.19	0.79	1.03	1.23	2.10
9750	0.48	0.71	0.90	1.00	1.06	1.29	1.48	2.41

Est. vol. total, Calls 29909 Puts 23508. Previous day's open int., Calls 193387 Puts 108429

Italy

■ NOTIONAL ITALIAN GOVT. BOND (BTP) FUTURES (LIFFE)* Lira 200m 100ths of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	109.00	109.62	+0.86	109.91	108.95	46829	46695
Jun	108.90	109.20	+0.81	109.50	108.90	1672	9788

■ ITALIAN GOVT. BOND (BTP) FUTURES OPTIONS (LIFFE) Lira200m 100ths of 100%

Strike Price	CALLS Jun	CALLS Sep	PUTS Jun	PUTS Sep
10900	2.19	2.89	1.99	3.11
10950	1.93	2.66	2.23	3.38
11000	1.69	2.44	2.49	3.88

Est. vol. total, Calls 1423 Puts 2270. Previous day's open int., Calls 43175 Puts 36041

Spain

■ NOTIONAL SPANISH BOND FUTURES (MEFF)

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	95.00	95.71	+0.78	96.15	94.92	74,275	47,980
Jun	94.99	95.33	+0.78	95.55	94.99	570	3,465

UK

■ NOTIONAL UK GILT FUTURES (LIFFE)* £50,000 32nds of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	107-18	107-13	-0-05	108-02	107-01	71864	117483
Jun	106-25	106-24	-0-04	107-09	106-18	8838	17249

■ LONG GILT FUTURES OPTIONS (LIFFE) £50,000 64ths of 100%

Strike Price	CALLS Apr	CALLS May	CALLS Jun	CALLS Sep	PUTS Apr	PUTS May	PUTS Jun	PUTS Sep
106	1-25	1-52	2-08	2-37	0-41	1-04	1-24	2-31
107	0-53	1-17	1-37	2-07	1-05	1-33	1-53	3-01
108	0-28	0-54	1-08	1-46	1-44	2-06	2-24	3-40

Est. vol. total, Calls 1201 Puts 2375. Previous day's open int., Calls 20174 Puts 19931

Ecu

■ ECU BOND FUTURES (MATIF) ECU100,000

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
Mar	89.36	89.88	+0.60	90.10	89.36	3,854	7,762

US

■ US TREASURY BOND FUTURES (CBT) $100,000 32nds of 100%

	Open	Latest	Change	High	Low	Est. vol.	Open int.
Mar	116-18	117-06	+0-21	117-07	116-04	313,294	315,055
Jun	116-04	116-01	-0-01	116-24	115-20	35,123	102,708
Sep	115-30	116-05	+0-21	116-05	115-08	375	8,915

Japan

■ NOTIONAL LONG TERM JAPANESE GOVT. BOND FUTURES (LIFFE) Y100m 100ths of 100%

	Open	Close	Change	High	Low	Est. vol	Open int.
Mar	118.75			118.90	118.60	882	0
Jun	117.27			117.44	117.12	3758	0

* LIFFE futures also traded on APT. All Open interest figs. are for previous day.

FT-ACTUARIES FIXED INTEREST INDICES

UK Gilts Price Indices	Fri Feb 23	Day's change %	Thu Feb 22	Accrued interest	xd adj ytd
1 Up to 5 years (22)	122.21	+0.08	122.11	2.04	1.58
2 5-15 years (21)	147.67	-0.04	147.73	2.92	0.78
3 Over 15 years(8)	161.13	-0.15	161.37	2.17	2.41
4 Irredeemables (6)	186.50	+1.10	184.47	3.48	0.00
5 All stocks (57)	142.50	-0.01	142.51	2.51	1.37

Index-linked	Fri Feb 23	Day's change %	Thu Feb 22	Accrued interest	xd adj ytd
6 Up to 5 years (1)	197.27	–	197.27	2.96	0.00
7 Over 5 years (11)	186.23	-0.09	186.38	1.00	0.63
8 All stocks (12)	186.35	-0.08	186.50	1.04	0.62

Yields	Low coupon yield Feb 23	Feb 22	Yr ago	High	Low	Medium coupon yield Feb 23	Feb 22	Yr ago	High	Low	High coupon yield Feb 23	Feb 22	Yr ago	High	Low
5 yrs	7.25	7.24	8.62	8.75 (7/3)	6.66 (18/1)	7.29	7.28	8.64	8.78 (7/3)	6.68 (18/1)	7.37	7.36	8.80	8.94 (25/1)	6.77 (18/1)
15 yrs	8.06	8.07	8.54	8.68 (7/3)	7.50 (18/1)	8.09	8.07	8.66	8.80 (7/3)	7.54 (18/1)	8.18	8.17	8.88	9.03 (7/3)	7.65 (18/1)
20 yrs	8.14	8.17	8.49	8.62 (7/3)	7.62 (6/12)	8.18	8.14	8.66	8.80 (7/3)	7.65 (18/1)	8.23	8.24	8.77	8.95 (7/3)	7.72 (18/1)
Irred.†	8.18	8.25	8.52	8.88 (24/1/95)	7.75 (25/1/96)										

Index-linked	Inflation rate 5% Feb 23	Feb 22	Yr ago	High	Low	Inflation rate 10% Feb 23	Feb 22	Yr ago	High	Low
Up to 5 yrs	2.61	2.58	3.71	4.17 (10/1)	2.36 (24/1)	1.30	1.25	2.34	2.96 (10/1)	0.76 (14/9)
over 5 yrs	3.66	3.64	3.89	3.95 (9/3)	3.48 (6/12)	3.45	3.44	3.70	3.77 (9/3)	3.28 (6/12)

Average gross redemption yields are shown above. Coupon Bands: Low: 0%-7¾%; Medium: 8%-10¾%; High: 11% and over. † Flat yield. ytd Year to date.
Base values: UK Gilts Indices 31/12/75 = 100.00 and Index-Linked 30/4/82 = 100.00. * 1995/96 highs and lows.

FT FIXED INTEREST INDICES

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Yr ago	High*	Low*
Govt. Secs. (UK)	93.55	93.65	93.63	92.27	93.47	90.93	96.34	90.22
Fixed Interest	112.68	112.35	112.27	112.27	112.29	110.16	115.23	108.77

*for 1995/96. Government Securities high since compilation: 127.40 (9/1/35), low 49.18 (3/1/75). Fixed Interest high since compilation: 133.87 (21/1/94), low 50.53 (3/1/75). Basis 100: Government Securities 15/10/26 and Fixed Interest 1928. SE activity indices rebased 1974.

GILT EDGED ACTIVITY INDICES

	Feb 22	Feb 21	Feb 20	Feb 19	Feb 16
Gilt Edged bargains	104.6	110.4	100.1	95.7	85.1
5-day average	99.2	98.7	97.2	96.4	96.6

UK GILTS PRICES

Notes	Yield Int	Yield Red	Price £	+ or –	1995/96 High	1995/96 Low
Shorts" (Lives up to Five Years)						
Treas 15¼pc 1996‡‡	14.99	5.96	101[illegible]	—	105⅝	101[illegible]
Exch 13¼pc 1996‡‡	13.05	5.95	101[illegible]	—	107¼	101[illegible]
Conversion 10pc 1996	9.73	6.02	102¾	+[illegible]	104[illegible]	102[illegible]
Treas 13¼pc 1997‡‡	12.47	6.01	106[illegible]	–[illegible]	109[illegible]	106¼
Exch 10½pc 1997	10.08	6.09	104[illegible]	—	105[illegible]	104[illegible]
Treas Cnv 7pc 1997‡‡	6.93	6.24	101[illegible]	—	101[illegible]	97⅛
Treas 8¾pc 1997‡‡	8.45	6.27	103[illegible]	+[illegible]	104[illegible]	100[illegible]
Exch 15pc 1997	13.22	6.34	113½	+[illegible]	117[illegible]	113[illegible]
Exch 9¾pc 1998	9.21	6.44	105[illegible]	+[illegible]	107[illegible]	102¾
Treas 7¼pc 1998‡‡	7.15	6.52	101[illegible]	+[illegible]	102[illegible]	95[illegible]
Treas 6¾pc 1995-98‡‡	6.73	6.64	100[illegible]	—	100[illegible]	94[illegible]
Treas 15½pc '98‡‡	12.86	6.77	120[illegible]	–[illegible]	124⅛	120⅝
Exch 12pc 1998	10.64	6.77	112[illegible]	–[illegible]	114⅝	109[illegible]
Treas 9½pc 1999‡‡	8.89	6.81	106⅞	–[illegible]	108[illegible]	100⅞
Treas Flg Rate 1999	–	–	100[illegible]	—	100[illegible]	99[illegible]
Exch 12¼pc 1999	10.69	6.88	114⅝	–[illegible]	116[illegible]	111[illegible]
Treas 10½pc 1999	9.53	6.90	110[illegible]	—	112[illegible]	105[illegible]
Treas 6pc 1999‡‡	6.17	6.92	97[illegible]	+[illegible]	98[illegible]	89[illegible]
Conversion 10¼pc 1999	9.29	7.02	110[illegible]	–[illegible]	112[illegible]	105⅛
Conv 9pc 2000‡‡	8.45	7.00	106[illegible]xd	—	108[illegible]	100[illegible]
Treas 13pc 2000	11.69	7.10	121[illegible]	—	124[illegible]	117
Treas 14pc 1998-1	12.16	6.62	115[illegible]	+[illegible]	117¾	114[illegible]
Treas 8pc 2000‡‡	7.74	7.12	103[illegible]	+[illegible]	105⅞	96[illegible]
Five to Fifteen Years						
Treas 10pc 2001	8.96	7.25	111¼	—	114	104[illegible]
Treas 7pc 2001‡‡	7.11	7.31	98[illegible]	—	101[illegible]	90[illegible]
Treas 9¾pc 2002	8.76	7.50	111[illegible]xd	–[illegible]	114⅝	103[illegible]
Treas 8pc 2003‡‡	7.83	7.58	102[illegible]	–[illegible]	105[illegible]	94⅝
Treas 10pc 2003	8.83	7.63	113[illegible]	–[illegible]	117[illegible]	105⅞
Treas 11½pc 2001-4	9.83	7.41	116[illegible]	—	119[illegible]	110[illegible]
Funding 3½pc 1999-4	4.35	6.55	80[illegible]	–[illegible]	83[illegible]	70½
Conversion 9½pc 2004	8.61	7.82	110[illegible]	–⅛	114[illegible]	103[illegible]
Treas 6¾pc 2004‡‡	7.24	7.81	93¼	–⅛	96[illegible]	86[illegible]
Conv 9½pc 2005	8.61	7.87	110[illegible]	–[illegible]	114[illegible]	103⅛
Treas 12½pc 2003-5	9.84	7.77	127	–⅛	131⅛	119[illegible]
Treas 8½pc 2005‡‡	8.15	7.84	104[illegible]	–[illegible]	108[illegible]	97⅝
Treas 7½pc 2006‡‡	7.77	7.87	97[illegible]	–[illegible]	101[illegible]	94[illegible]
Treas 7¾pc 2006‡‡	7.86	7.93	98⅝	–[illegible]	103¼	92⅞
Treas 8pc 2002-6‡‡	7.96	7.98	100[illegible]	–[illegible]	104[illegible]	93¼
Treas 11¾pc 2003-7	9.69	7.70	121¼	–[illegible]	125[illegible]	113[illegible]
Treas 8½pc 2007‡‡	8.19	7.97	103[illegible]	–[illegible]	108[illegible]	97[illegible]
Treas 13½pc 2004-8	10.10	7.78	133[illegible]	–⅛	138[illegible]	126[illegible]
Treas 9pc 2008‡‡	8.35	8.00	107¾	–[illegible]	112[illegible]	101⅝
Treas 8pc 2009	7.99	8.04	100[illegible]	+[illegible]	104½	94
Treas 6¼pc 2010	7.44	8.12	83[illegible]	–[illegible]	88[illegible]	79[illegible]
Over Fifteen Years						
Conv 9pc Ln 2011‡‡	8.37	8.12	107[illegible]	–[illegible]	112[illegible]	101[illegible]
Treas 9pc 2012‡‡	8.35	8.11	107[illegible]	–¼	113[illegible]	102[illegible]
Treas 5½pc 2008-12‡‡	6.96	7.86	79[illegible]	+[illegible]	82¾	72¾
Treas 8pc 2013‡‡	8.10	8.12	98¾	–¼	103[illegible]	93[illegible]
Treas 7¾pc 2012-15‡‡	7.99	8.13	97[illegible]	+½	101[illegible]	91[illegible]
Treas 8pc 2015	8.10	8.12	98[illegible]	–¼	104[illegible]	93[illegible]
Treas 8¾pc 2017‡‡	8.27	8.10	105[illegible]xd	–[illegible]	111⅝	100[illegible]
Exch 12pc 2013-17	8.90	8.23	134[illegible]	–¼	141[illegible]	127[illegible]
Undated						
Consols 4pc	8.25	–	48[illegible]	+[illegible]	50[illegible]	45⅛
War Loan 3½pc‡‡	8.13	–	43[illegible]	+[illegible]	45[illegible]	40[illegible]
Conv 3½pc '61 Aft	5.90	–	59[illegible]	—	62¼	57[illegible]
Treas 3pc '66 Aft	8.32	–	35[illegible]	+[illegible]	38[illegible]	34¼
Consols 2½pc	8.11	–	30[illegible]	+[illegible]	32[illegible]	28[illegible]
Treas. 2½pc	8.23	–	30⅛	+[illegible]	32[illegible]	28⅛

Index-Linked	Notes (b)	Yield (1)	Yield (2)	Price £	+ or –	1995/96 High	1995/96 Low
2pc '96	(67.9)	–	0.86	216[illegible]	—	218[illegible]	201[illegible]
4⅝pc '98‡‡	(135.6)	1.31	2.61	112[illegible]	–[illegible]	113[illegible]	106[illegible]
2½pc '01	(78.3)	2.91	3.43	177[illegible]	–[illegible]	180[illegible]	165[illegible]
2½pc '03	(78.8)	3.11	3.51	173⅞	–[illegible]	176[illegible]	161[illegible]
4⅜pc '04‡‡	(135.6)	3.15	3.52	114½	–⅛	116[illegible]	108[illegible]
2pc '06	(69.5)	3.27	3.58	181[illegible]	–¼	185[illegible]	168[illegible]
2½pc '09	(78.8)	3.38	3.62	163[illegible]	–[illegible]	[illegible]	152[illegible]
2½pc '11	(74.6)	3.42	3.64	169[illegible]	–[illegible]	173[illegible]	157[illegible]
2½pc '13	(89.2)	3.48	3.67	139[illegible]	–[illegible]	143	129[illegible]
2½pc '16	(81.6)	3.52	3.69	148[illegible]	–[illegible]	152¼	137⅝
2½pc '20	(83.0)	3.56	3.71	142¼	–⅛	146[illegible]	131[illegible]
2½pc '24‡‡	(97.7)	3.55	3.69	118⅝	–⅛	122[illegible]	109¼
4⅛pc '30‡‡	(135.1)	3.57	3.71	116[illegible]	–⅛	120[illegible]	108[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing (ie 6 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in February 1987. Conversion factor 3.945. RPI for June 1995: 149.8 and for January 1995: 150.2.

Other Fixed Interest

Notes	Yield Int	Yield Red	Price £	+ or –	1995/96 High	1995/96 Low
Asian Dev 10¼pc 2009	8.91	8.33	115[illegible]	–¼	120	108[illegible]
B'ham 11½pc 2012	9.31	8.79	123½	—	135	116½
Ireland Cap 8½pc '10	8.04	–	105¼	—	108	95¼
9pc Cap 1996	5.96	–	104	—	104¼	100
13pc '97-2	11.72	–	110⅞	—	111⅞	107
Hydro Quebec 15pc 2011	10.25	9.26	146⅞	–⅛	154[illegible]	138[illegible]
Leeds 13½pc 2006	10.10	–	132½	—	136½	126½
Liverpool 3½pc Irred.	8.92	–	39¼	—	41	33
LCC 3pc '20 Aft.	8.95	–	33½	—	35	27¾
Manchester 11½pc 2007	9.54	8.68	120½	—	124½	113½
Met. Wtr. 3pc 'B'	4.03	7.85	74½	—	76	69¼
N'wide Anglia 3⅝pc 2021	0.03	4.46	138¼	—	143½	130½
4⅛pc IL 2024	–	4.49	133¼	—	140⅝	123⅞
Utd Mex States 16½pc 2008	13.04	–	126½	—	139	113½

● "Tap" stock. ‡‡ Tax-free to non-residents on application. E Auction basis. xd Ex dividend. Closing mid-prices are shown in pounds per £100 nominal of stock.
Prospective real Index-Linked redemption yields are calculated by HSBC Greenwell from Bank of England closing prices.

FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL
Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700

Saturday February 24 1996

Investors in a muddle

No-one should be surprised by the downs and ups in global financial markets over the past few days. Investors, particularly the bond-holding variety, are a nervous bunch at the best of times. In fact, they are *especially* nervous at the best of times, because they must worry about how long the bull market will last.

Wall Street seemed quite convinced that the end was nigh at the beginning of this week. US bond and equity markets lurched downwards. On Tuesday, the long bond lost two points, and the Dow Jones Industrial Average fell 45 points. European financial markets followed suit, quite dramatically so in the case of Germany.

By the middle of the week, it looked as though the anxiety attack was over. The Dow ended Thursday at a new high, nearly 100 points up on the previous day. But yesterday the roller-coaster continued, with both bond and equity markets taking another sharp tumble. European markets fared better, with the German and French equity markets closing up 1.2 and 1.65 per cent, respectively.

A storm in a tea-cup, perhaps? Or a taster of things to come? Sadly, the answer to this question is probably "both". The bond investors' biggest worry, as ever, is that the reductions in global interest rates which have made them so much money will actually work as intended. That is, they will trigger a global upturn that will send central bankers reaching for the brakes. In fact, a reversal in either global inflation, or short-term interest rates is unlikely to occur at any time soon. But with so much riding on the outcome, investors will be easily upset by signs to the contrary.

The angry Republican voters who voted for Pat Buchanan in Tuesday's New Hampshire primary certainly do not think that a US recovery is in the bag. Yesterday's weak fourth quarter gross domestic product figures, showing an annualised rise of only 0.9 per cent, would seem to confirm Mr Buchanan's gloomy economic prognoses.

Twin stimuli

Mr Alan Greenspan, the Federal Reserve chairman, told Congress this week he was confident that recent signs of economic weakness at the turn of the year would prove to be temporary. But he did not rule out further cuts in short-term interest rates, stating that faster growth would be welcome as long as inflation remained so modest.

The signs are that the US economy will pick up again in the second quarter of this year, but there is little to suggest that either prices or interest rates will rise sharply much before the end of 1996. Bondholders have more reason to be worried about the good news coming out of Japan.

There, the economy seems at last to be responding to the twin stimuli of record low interest rates and higher government spending. With government officials openly fretting about the consequences of a 0.5 per cent discount rate for pensioners on fixed incomes, the fear is that the Bank of Japan will jump to raise interest rates as soon as the upturn is firmly established, regardless of the outlook for inflation.

Careful patchwork

This prospect sends pulses racing in Wall Street because it could well unravel the careful patchwork of international support which is now putting a floor under the dollar markets. The US economy is unusually sensitive to Japanese interest rate changes at the moment because domestic investors have regained their enthusiasm for foreign markets, leaving a large hole in both the US current and capital accounts to be filled by foreign inflows, many of them from Japan. Any sign that these investments might stay at home could be disastrous. Similar fears, writ smaller, would arise if excessive German monetary growth meant that the Bundesbank decided to call a halt to short term interest rate cuts.

But the fact that a rapid turnaround in Japanese and German monetary policy could wreak havoc in the US does not mean that it will. In fact, the evidence suggests that it will not, at least during the next six months.

The German money supply was revealed yesterday to have grown at an annualised rate of 8.4 per cent in January. This is outside the Bundesbank's 4 to 7 per cent target range, but with producer prices falling by 0.7 per cent in the same month and unemployment at 10.6 per cent, one month's monetary growth figure is unlikely to eliminate the Bundesbank's apparent bias towards further easing.

Although Japan's immediate economic prospects are with luck rather better than Germany's, both share a common dread of a weaker dollar. Further yen strength could all too easily reverse the recent upturn in Japanese confidence and send the economy back into reverse. There could be some bumpy times ahead for dollar assets, but Americans can rest assured that central banks in continental Europe and Japan will do all they can to prevent a rout.

The broadcaster's bandwagon

Pat Buchanan delivered a megawatt jolt to the US political system with his victory in the New Hampshire primary, says **Jurek Martin**

The signs were everywhere that this was the week when the race for the White House really began. Bill Clinton, who loves a campaign more than dinner, could not stop smiling. Bob Dole chartered a jet. Lamar Alexander worried seriously about money, Steve Forbes, who does not have to, soldiered on regardless, and Dick Lugar, Alan Keyes, Morry Taylor and Bob Dornan thought about giving it up but could not quite bring themselves to. Oh, and Pat Buchanan won the New Hampshire primary.

The fact that, after 33 duck strikeouts in a row in two election seasons, a man who has never held public office hit one over the fence might seem only mildly shocking. This is, after all, the land where Mr Smith went to Washington disguised as Jimmy Stewart and conquered it. Billionaires with a funny voice and $65m in loose change can win a fifth of the real-life vote in a presidential election, as Ross Perot did four years ago.

But that it was Patrick Joseph Buchanan who did it – and as a Republican no less – was a megawatt jolt to the political system. New Hampshire may be a quirky state, fond of outsiders. But only twice in its 22 first-in-the-nation primaries over the past 44 years has its winner failed to go on to become either the Democratic or Republican candidate for president. (The years were 1964 when the state's Republicans backed Henry Cabot Lodge rather than Barry Goldwater, and 1992 when its Democrats chose Paul Tsongas rather than Bill Clinton.)

All across the country, in country clubs, brokers' offices, chief executive suites and in the garrets where the remaining moderates huddle, establishment Republicans threw up their hands in horror. Even the leader of the new establishment, Newt Gingrich, Speaker of the House, warned that his revolution, or what is left of it, could be reduced to ashes.

If a man who speaks the economic language of the trade union hall ("We're gonna make America the greatest manufacturing power in the world again, with American jobs for American families") in the cultural tongues of the fundamentalist pulpit ends up running against Mr Clinton, he could lose to him badly in November. Democrats, meanwhile, just popped the corks.

Seriously nasty words were handed about. Retired General Colin Powell called Mr Buchanan intolerant. Mayor Rudy Giuliani of New York said he protected Nazis, and the New York Times obliged by producing a list of those who support him and have attended the sort of meetings where the swastika hangs from the walls. Bill Bennett, the former secretary of education, repeated that he was flirting with fascism (Vladimir Zhirinovsky, the Russian ultra-nationalist, fanned these flames by endorsing him from Moscow this week). Not since the McCarthy era has one man been tarred with so many brushes.

But if Mr Buchanan is to be stopped before he reaches the Republican convention at San Diego in August, someone must be found to do it. New Hampshire assigned that task to Senator Bob Dole, the majority leader, or Mr Lamar Alexander, the former education secretary and governor of Tennessee.

At least, as the week ended, both were sniping more at Mr Buchanan and less at each other (Mr Dole has now chosen to pretend Mr Alexander does not exist). The majority leader variously called the struggle "the mainstream against the extreme", "fear against hope", "inclusion against exclusion".

Mr Alexander, who talks non-stop about his own "fresh ideas", began taking aim at Mr Buchanan's "bad ideas". Building protectionist walls around America, he said, meant "we'll be selling corn and soybeans to each other".

But if the truth be told, both are pallid campaigners when stacked against Mr Buchanan. Mr Dole, in particular, was awful in New Hampshire, only in defeat putting together a sentence longer than "it's the future, that's what it's all about".

A "major" economic speech, supposedly the expression of his beliefs, was delivered in a mumble and too late for airing on the evening television news. The game among the travelling press was to try and remember exactly what his economic "four freedoms" were, or whether he had got them muddled up with the four horsemen of the apocalypse, whose platform would elect nobody.

It did not get much better as he criss-crossed the country. "You don't have like me," he said in South Dakota, "but you ought to vote for me anyway" – not exactly the compelling vision of the future that presidential candidates are supposed to hold out. It was a performance, replete with the staccato shorthand of the Senate locker room, that recalled his old, bad campaigns of 1976 (for vice-president) and 1980 and 1988 (for the presidency). It made many of his admirers, who consider him a politician of substance, rather sad.

Mr Alexander is much smoother, though the fire in the belly is well banked. A Wall Street Journal editorial was on the mark in observing that he "markets himself, as if born in the research labs of Procter & Gamble, as a product unique from any previous Republican". Certainly there has been an experimental quality to his campaign, always seeking to refine the mixture with a "fresh idea" here and a new gimmick there, dropping without compunction those that do not seem to catch on. Some, such as using the US army to police the Mexican border, are seen as quite bizarre by many Americans, not least in the military.

That approach worked (for an eclectic "New Democrat" called Bill Clinton in 1992 but so far two third-place finishes hardly qualify Mr Alexander for the political equivalent of the seal of approval of the Food and Drug Administration. And to sell himself further, he will need the one commodity, money, that only victories, or at least wins over Mr Dole, can bring. He spent just about all he had in Iowa and New Hampshire.

By contrast, Mr Buchanan can run a relatively low-rent campaign. A skilled broadcaster and writer, he gets all the "free media" exposure he wants by making himself available for interviews on every small radio and TV station he comes across. He scripts all his own commercials and appears in them – just plopping himself in front of a camera and talking to it, without the need for expensive background film or golden-tongued voiceovers. His $350,000 advertising budget in New Hampshire was one fifth of Mr Forbes's, one third of Mr Dole's and about half Mr Alexander's.

He is also a stump speaker of great talent, quick, pugnacious, knowing how to whip up an audience, sometimes interrupting himself with a demonic laugh.

He loves to argue that his populism, down to its last protectionist tariff, is firmly in the tradition of the Founding Fathers, with even George Washington wearing an American suit to his inauguration "though the French cloth was better".

But it is an act, because the Buchanan of 1996 is a blatant reinvention of all but its religious and culturally conservative parts. As Ms Maureen Dowd, the sharpest of contemporary columnists, wrote in the New York Times, "the old Pat was a charter member of the media elite, known around Washington as a guy who liked chardonnay, cats, walks on the beach, W.H. Auden poetry, dark suits, free trade, Mercedes sedans and Hermes ties. The new Pat is a sulphurous protectionist populist, fearlessly tramping in the snow in his new casual wardrobe of green parka, fuzzy sweater and Irish cap. He comes across as a boilermaker and bowling alley guy."

It worked in New Hampshire and it could yet in some of the other 26 states with primaries in the next 30 days where isolationism and economic uncertainty combine with the muscle of the religious right.

There is a Buchanan feel to conservative Arizona, home of Barry Goldwater, his first political mentor, which votes on Tuesday. There is, too, in South Carolina, which votes next Saturday – its substantial influx of foreign investment, including another Fuji film plant just this week, notwithstanding. Even the rugged Dakotas, also next Tuesday, could be responsive.

But going all the way to the Republican presidential nomination is another matter. Mr Buchanan still has to break the 30 per cent level in any vote and it is barely that, even if the support of the minor candidates sympathetic to his cause – Mr Keyes, Mr Dornan and Mr Taylor – is added. And the states get bigger and more complex along the primary trail, which plays to the strengths of Mr Dole's money and national organisation, even if the candidate himself underwhelms.

It all comes down to the fear factor – whether that ignited by Mr Buchanan among the angry and the left-out is greater than that he inspires in a party that really thought it could elect a Republican president this year. He may not give it the chance.

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax to 'fine'). e.mail: letters.editor@ft.com Translation may be available for letters written in the main international languages.

Carmakers behind cross-border price discrimination

From Mr Alan Kirman.

Sir, The article "Private car dealers win cross-border sales ruling" (February 16) on the European Court of Justice's decision to allow independent dealers to import cars freely into the country of their choice, misses the basic point of this controversy. Why are Peugeot dealers in France and Ford dealers in Germany unhappy about the devaluation of the lira? Not because Fiats are much cheaper in France and Germany – the price change has been very limited – but because Peugeots are being re-imported into France and Fords to Germany from Italy, where they are now much cheaper. They are cheaper in Italy for the simple reason that Peugeot and Ford find it more profitable to charge less for their cars in that country than the prices they charge for the same cars in their own countries. It is a strategic choice by the manufacturers to "price to market" in this way.

As long as markets are effectively separated – by legislative exemption and practical obstacles – manufacturers will continue to do this. If the Ford dealer in Germany has a legitimate grievance against anybody it is against Ford which has chosen to increase its prices in Italy, for example, by only one-third of the revaluation of the D-Mark against the lira and thus to make its cars much cheaper in Italy than in Germany.

There is some truth to the manufacturers' argument that different tax levels have led to different prices in different countries: pre-tax prices have typically been very low in Denmark where taxes are very high, but this was once again a strategic choice. Even after tax harmonisation manufacturers will still have an incentive to charge different prices for the same product in different countries. It is the separation of national markets, something for which the manufacturers have fought hard, that is responsible for this. If car dealers are unhappy with the efforts of consumers and others to benefit from price differences by importing cars, they have only the manufacturers to blame and possibly the Commission for accepting the arrangements which allow price discrimination. If the dealers are to receive any compensation it should be claimed from the manufacturers whose cars they sell.

Alan Kirman,
professor of economics,
Greqam-Ehess et Université d'Aix-Marseille,
2 rue de la Charité
13002 Marseille, France

Move to help Ugandan debt

From Mr William Cash MP.

Sir, Your leading article "Future of aid" (February 15) makes many telling points.

As chairman of the all party East Africa Group, I have tabled an important early day motion No. 137 in support of an innovative concept long advocated by the London-based Centre for Accountability and Debt Relief, which has cross-party support from some 180 MPs. The EDM acknowledges that the Museveni presidency since 1986 has satisfied many of the key elements of International Monetary Fund and World Bank macro-conditionality and has emphasised greater social sector spending, as also advocated by the UK-based Debt Crisis Network, a group of some 40 leading non-governmental organisations.

What the Ugandan president has indicated is that he is prepared to impose on his own government far greater emphasis on transparency and accountability than previously required by the multilateral institutions. This would be done to ensure that corruption and politically self-serving policies are monitored by independent auditors and accountants reporting to the major lending organisations, while making it possible for those lenders to relieve a large portion of multilateral debt outstanding in Uganda.

The obvious incentive to have a portion of his nation's mountain of debt reduced, in return for greater accountability and transparency, over a prolonged period, should help to satisfy UK taxpayers that their reduced aid budget is channelled more effectively to help the world's poor.

William Cash,
House of Commons,
London SW1A 0AA

Privacy has long been debated

From Mr F. Kosten.

Sir, Tim Jackson balances his claim (Media Futures: "This bug in your PC is a smart cookie", February 12) that it "is a good thing" to "tailor advertising more closely to what consumers want", by adding that "the issue of privacy. . .needs to be debated".

In fact, this issue has been debated for years, relevant codes of practice already exist in the UK, and the Data Protection Act added criminal sanctions over a decade ago.

Mr Jackson trivialises matters by restricting the worst consequence to companies trying "to sell you something", and overlooks the serious implications of the intelligence data that must be gathered to achieve this purpose – the "mad scramble to implement personal marketing strategies", explored last year in your columns ("Personal message", May 18, and my letter, May 23). These data often involve "who was where and when and doing what" – facts that in the wrong hands and in a different context could spell disaster for the individual concerned.

In contrast to Mr Jackson's belief, customers have for years been receiving such potentially dangerous letters, commenting on their habits. As regards the use of surveillance technology (electronic signals from a shopper's store card, rather than CCTV) this is similarly already performing what he asserts is many years in the future – tallying "a person's movements against sales records". Try the Netherlands for a start!

F. Kosten,
Data Protection News,
Hoskyns Group,
City House,
190 City Road,
London EC1V 2QH, UK

The FT Interview · **Ichiro Ozawa**

A campaigner for change

***William Dawkins** on the Japanese opposition leader who has broken ranks with the old guard in the drive for modernisation*

Mr Ichiro Ozawa, recently elected leader of Japan's political opposition, admits to frustration when he looks back over his three-year struggle to reform the way in which his country is governed.

When he left the Liberal Democratic party in mid-1993, his defection began a chain of events that brought to an end nearly four decades of single-party rule. Since then, this expert on Chinese military history has plotted to change what many believe to be incapable of change: the conservative, domestically fixated world of Japanese politics.

Mr Ozawa wants to modernise Japan's political system by a radical shift of power from the old cabal of bureaucrats, businessmen and politicians to a new class of professional leaders capable of responding more decisively in a fast changing world. Without such a shift, Japan will never be able to assume an international role equal to its economic clout, he argues.

But change in Japan's political system now looks far away with the governing coalition of the conservative LDP and left-wing Socialists expressing little interest in reform. As for Mr Ozawa's New Frontier party, it commanded a mere 9 per cent support in recent opinion polls – down 8 percentage points from six months ago – against the government's 61 per cent. "Japan doesn't really have that much time left" before foreign partners lose interest and patience, Mr Ozawa warns. In particular, he is worried about Japan's alliance with the US, shaken by last year's alleged rape of a schoolgirl near the US base in Okinawa, for which three US servicemen are on trial.

"There is an atmosphere growing in the US that the Japan relationship is not as important as it was, and doubts are rising on the Japanese side as well." Conceivably, the US could survive without reference to the international community, he says, but Japan clearly cannot. By that he means Japan needs the US if it is to achieve its international ambitions.

Mr Ozawa admits to sharing foreigners' puzzlement over whether Japan's experiment with political reform has made only superficial or real progress. "I feel the same. This government is made up of people who really do not want to move forward ... Otherwise why else would the LDP and Socialists get together? They are united on just one thing, to keep the status quo," he says.

He argues that Japan's conservatism is partly explained by the difference between now and another period of great change, the 1860s Meiji Restoration. Then the feudal system broke down under the twin pressure of domestic demands for reform and force from the west. Today, "we do not see outside forces pressing in on us as clearly as the Meiji people did ... the pressure for change is not as visible and that is why people are hesitating," he says.

But Mr Ozawa also blames a tendency to superficiality for the slowness of political change. His points as an example, to the battle between the LDP and the finance ministry, the nearest thing to a centre of power in Japan's diffusely organised government.

The LDP is considering plans to break up the ministry, in punishment for its part in the housing loan mess. It is the greatest political challenge to the ministry since its birth in the Meiji era. But, says Mr Ozawa, the main players in the row miss the point.

"The argument about the ministry does not go to the essence of things," he says. "Bureaucrats themselves realise that they cannot go on as they have been doing and I recognise that the ministry has been too arrogant. But as bureaucrats, they are not the people to break the mould of the old way of doing things. The political leadership has to assert itself ... that is the most important thing," he says.

To bring this about, he proposes that ministers should stay in their posts for longer, rather than taking frequent turns in a party rota. He also wants them to work more closely with ministries, and speak for themselves more often, rather than reading from a civil servant's text.

Mr Ozawa's own metamorphosis from LDP heavy to reformer is one of the things that made Japan's political realignment possible. As a former secretary-general of the Liberal Democrats, he was a member of the party's biggest – and incidentally most corrupt – faction.

Three years ago he was poised to take over the dominant Takeshita faction, then the most powerful political job in Japan. Instead, he created his own breakaway group, partly to pursue a reform agenda lacking in the LDP, but also as a consequence of a fight with Mr Ryutaro Hashimoto, then the other most promising rising star in the LDP. He later became LDP president and was elected Japan's prime minister last month, bringing this long-standing rivalry into the open.

The Ozawa group left the LDP to form an independent party that was the nucleus of two unstable coalition governments that eventually collapsed bring back the LDP in a coalition with their traditional enemies, the Socialists, in June 1994. Just over a year ago Mr Ozawa formed the New Frontier party, a coalition of disgruntled former LDP politicians and allies, becoming its president in December.

Perhaps disingenuously, Mr Ozawa claims that his step into the limelight came by accident rather than design. Even when in the backroom, he was conscious that many Japanese found him too self-assured for their tastes.

"In Japanese society, people dislike overt leadership. Therefore it is much easier to support the leader and operate behind him," he says. "So when the NFP election came up, I had thought my supporters were in a minority. But they turned out to be the majority ... and this is what has given me courage to assert leadership."

It is hard to see just when Mr Ozawa will get the opportunity to try to implement his agenda, given that the government does not have to call an election until July 1997.

But he is undeterred by the volatile polls and believes reform will prevail. As testament to the New Frontier party's seriousness, it has just moved in to a sparkling new headquarters, where it has opened a shadow government, with mini-ministries paralleling the existing bureaucracy, a short walk away.

No Japanese opposition party has ever made such thorough preparations for government. Despite its poor showing in the polls, the pressure for reform is widely recognised as unstoppable. Three years after breaking ranks with the old guard, Mr Ozawa is still the Japanese politician who articulates the need for change most clearly.

Outselling the megastars: South Carolina bar band Hootie & The Blowfish (left) and Madonna's protegé Alanis Morissette

Out of tune with the times

The British music industry is resurgent, but its US rival is struggling, says **Alice Rawsthorn**

While Britain's record executives are recovering from their celebrations at this week's Brit awards, their US counterparts are preparing for the Grammies on Wednesday in a less festive spirit.

After a heady period when US music sales grew by 60 per cent in the four years to 1994, they stalled at $12bn last year, according to the Recording Industry Association of America. Profitability was depressed by price competition among retailers, and heads rolled at many US record labels.

The critical question is whether the slowdown is due to short-term factors peculiar to the US, or to longer-term changes in consumption patterns that could eventually affect other countries.

Unsurprisingly, the industry prefers to see the US situation as a short-term phenomenon. "There hasn't been much creative excitement in the US recently," says Alain Lévy, chairman of PolyGram, the world's largest record company. "Suddenly we'll get ten great new bands and everything will change. Look at what's happened in the UK."

The rise of Britpop acts such as Oasis and Pulp has triggered the same creative and commercial resurgence in the UK that the US enjoyed in the early 1990s. Megastars Madonna and Michael Jackson were still selling well then, and MTV provided a powerful platform to popularise new genres, notably grunge and rap.

Grunge has lost momentum since the death two years ago of Kurt Cobain, lead singer of Nirvana. And rap was clouded by political controversy when Senator Bob Dole, the Republican presidential contender, intervened in last summer's campaign against the violent lyrics of gangsta rap.

US music magazines are now filled with laudatory articles about Britpop. Oasis's *Morning Glory* is at number five in the US album charts. So far, Oasis is the only new British act to have sold well in the US, except for Bush, which sounds like a Seattle grunge band. Pulp, Radiohead, Supergrass and other Britpop acts are now being marketed in the US as the "next Oasis".

Meanwhile, many once bankable US megastars produced disappointing sales last year. Michael Jackson's *HIStory* only sold 1.9m copies, weak by his standards. The best-selling album in the R&B category he once dominated was TLC's *CrazySexyCool* with 4.8m. Madonna, who sold 1.1m copies of *Bedtime Stories*, was outsold by her protegé Alanis Morissette, who is signed to her record label and achieved sales of 4.2m for *Jagged Little Pill*.

Neither Morissette nor TLC had mustered significant sales before, but 1995's number one album, Hootie & The Blowfish's *Cracked Rear View*, was an even bigger surprise. Hootie is a South Carolina bar band which dresses in a suburban style and cites golf as its favourite hobby. Like the equally unhip Robson & Jerome, the singing actors who topped the UK charts last year, Hootie is reviled by the critics but very popular. It sold 7m albums, mainly to people who do not normally buy records.

In theory it should not matter commercially whether Hootie or Michael Jackson tops the US album chart. But record executives are worried Hootie's bar tunes are unlikely to be popular outside the US, at a time when they are struggling to find new international stars.

The US is the world's largest music market, but its share of global sales is shrinking as sales grow more rapidly in Asia and Latin America. Musical taste is becoming more chauvinistic in those fast-growing markets with Chinese stars, such as Wei Wei and Dadawa dominating Asia. This makes it more difficult to establish young US artists there now than when Madonna emerged in the 1980s.

Even in the US, there are signs that the industry's problems extend further than the creative hiatus. One of the most serious issues is the turmoil in the retail sector. Tower Records, Musicland and other chains are paying the price for over-expansion and discounters have dragged the industry into a vicious cycle of price cutting by using records as loss leaders to attract customers. The situation could worsen this year as some music retailers are threatening to seek bankruptcy protection.

At the same time, the industry has burdened itself with spiralling costs. Salaries have always been high in the music business. Warner has paid at least $300m in compensation to executives who have left in the past two years. Recent reshuffles there and at other companies have triggered another round of salary increases. André Harrell clinched a $20m five-year deal with PolyGram to run its Motown label.

Stars are also negotiating more lucrative deals by exploiting the growing competition between labels to sign them. One of the most aggressive bidders is DreamWorks, co-founded by Mr David Geffen, the billionaire music mogul.

He says DreamWorks is primarily interested in discovering new talent. But it participated in last summer's $55m deal to sign George Michael and held talks with Janet Jackson when she renegotiated her Virgin contract. Virgin was so anxious to avoid losing her that it agreed to an unprecedented $85m four-album deal. DreamWorks is now reported to be wooing R.E.M., the rock group that has only one album left on its Warner contract.

Ironically, the industry is paying more to its stars at a time when their sales prospects are becoming less predictable. It is also gambling that long-term expenditure on music will be unaffected by the growing appeal of computer products, particularly to teenagers, traditionally enthusiastic music buyers.

However, sales of computer products are accelerating and in five years, the US record labels may be as worried about the next generation of Sony PlayStations as they are about the latest releases from Oasis, Pulp or Wei Wei.

Robert Chote on uncertainties clouding UK economic prospects

A hazardous wager

Last Tuesday the London International Financial Futures Exchange witnessed the heaviest gambling it has ever seen on the future level of British interest rates. Dealers placed a record 268,612 bets as the market suddenly concluded that base rates would end this year higher than they are now.

A week ago the market was predicting base rates of 6 per cent in December, down from their present 6¼ per cent. But, just two working days later, that expectation had risen to almost 6½ per cent. Half a point may not sound much to get excited about, but it was a big move in such a short time.

On the face of it, the move implied that the markets had suddenly become convinced that the economy would improve dramatically later this year. This would force the authorities to slam on the brakes by pushing interest rates higher.

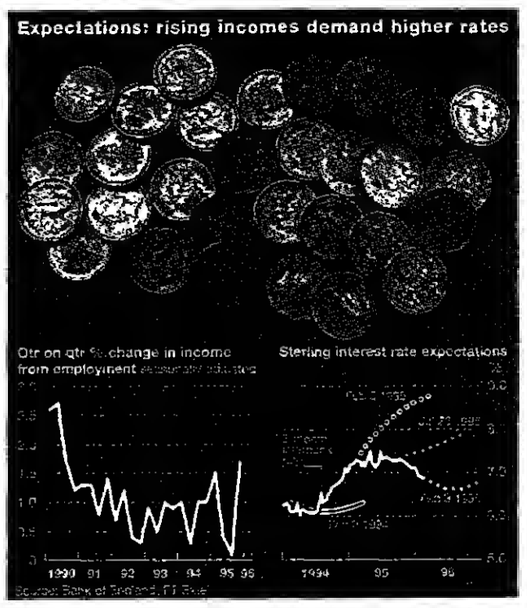
Economists, however, found the precise timing of this change of heart difficult to explain. There had been no portentous statements from the UK Treasury or the Bank of England to unsettle dealers' nerves. Nor had any statistics been published which transformed their assessment of the state of the economy.

The most common explanation was that the market was simply mirroring moves in France, Germany, Japan and the US. Officials in the UK agree, but only up to a point. The size of the move in sterling interest rate futures early this week suggests there was also a specific message about developments in the UK.

"You cannot interpret the numbers as a precise prediction, but it does show a change in mood and in confidence about the direction of rates," said Mr Richard Jeffrey, economist at Charterhouse Bank.

The outlook for the economy this year – and, therefore, for interest rates – remains a subject of hot debate. Independent forecasts of national output growth this year vary from as little as 1.7 per cent to as much as 3.3 per cent. Economists say the key uncertainties are the strength of export markets – especially France and Germany – and the speed with which companies might run down stocks of unsold goods.

The economy is growing at a little less than the long-term trend rate which has proved sustainable in the past without pushing up inflation. But it is also growing a little more strongly than City economists expected. On Thursday, the Central Statistical Office said the economy expanded 0.5 per cent between the third and fourth quarters of last year, slightly more than its initial calculations indicated. This was the first quarter in which the recovery has picked up speed since the spring of 1994.



The service sector – which accounts for about two-thirds of the economy – remained the driving force behind growth. Services output rose 0.8 per cent, helped by buoyant performances from transport, distribution, business and financial services. Together with a surprise pick-up in the previously moribund construction sector, this offset a stagnant performance in manufacturing and other production industries, where weaker export markets and the desire to reduce stocks have already taken their toll.

But where has the demand for this output been coming from? Consumer spending rose healthily, as did investment (although not in manufacturing). Government spending was weak and exports fell, but so did the amount of demand soaked up by imports. About £650m of the output produced in the fourth quarter was added to unsold goods already languishing in warehouses. Mr David Walton, at Goldman Sachs, the investment bank, said stocks had stopped rising as a proportion of goods produced. But he still expects stock adjustment to depress growth for some months.

This would provide Mr Kenneth Clarke, the UK chancellor, with the perfect excuse to cut interest rates again. Most economists believe the Bank of England's optimistic *Inflation Report*, published last week, has already left the door open for another cut, perhaps next month. The Confederation of British Industry is urging such a move – on Thursday it said the chancellor could probably cut base rates by another half point without putting his inflation target at risk.

But events in the futures markets this week suggest uneasiness. Dealers appear nervous that further rate cuts will be too late to counteract any short-term slowdown in the economy, but will boost activity and inflationary pressure when the economy is already rebounding. This would put upward pressure on rates in a few months. "Policy does look very reactive," says Mr Geoff Dicks, economist at NatWest Markets. He thinks the chancellor and Mr Eddie George, the governor of the Bank of England, are paying too much attention to current growth and inflation in their monthly meetings, and not enough to likely future trends.

What will matter is the economy's underlying momentum when the stock adjustment has been completed – and this depends crucially on the outlook for consumer spending.

Revised official figures now suggest that spending in the shops was weaker over the Christmas period than first appeared. But the broader measure of consumer expenditure – which includes spending on holidays, cars and the like – is thought still to be growing more strongly. Most economists think this will continue.

For one thing, people will have more money in their pockets. Mr Kevin Gardiner, of Morgan Stanley, the investment bank, calculates that someone on average earnings with a £50,000 mortgage will enjoy an 8 per cent rise in income in the year to mid-1996, after inflation, taxes and mortgage payments. Income from employment is already climbing at its fastest rate for more than five years.

There are other factors which should boost consumer spending and the "feel-good factor". House prices have been increasing for the longest uninterrupted period since 1988 and unemployment also continues to fall sharply. Consumers will also enjoy windfalls from building society reorganisations, electricity bill rebates and maturing tax-exempt special savings accounts (Tessas).

Mr Clarke remains more confident than most of his advisers that the UK will enjoy a surge in consumer spending this year – although this has not prevented him from being keener than most to cut interest rates. There is a camp in the Treasury which accepts the case for a sharper cut in rates, but only on the assumption that they are raised again promptly when necessary.

The chancellor argued at his last meeting with the governor that he had proved himself willing to act early when he raised rates in 1994. But this squall in the futures market this week suggests he is not necessarily expected to repeat that commendable trick in the run-up to an election.

The search for soldiers who know how to fight

Bernard Gray on Europe's move away from compulsory military service

Conscription is a bit like camping holidays: most people have a pretty miserable time doing it, but it provides a fund of entertaining stories for later.

Tales of the oxymoron that is military logic abound among those who have completed national service. One lad from Uist in the Hebrides asked for a local posting and so was sent by a slip of a UK Ministry of Defence pen to Unst in northern Shetland: a journey of 800 miles via Glasgow which took the best part of a week.

Britain finally put itself out of such misery in 1963, but not until 15 years had passed and 2m men had been though the horror that is basic training. France has now decided to join the ranks of professional armies, and others may not be far behind. Italy has a long-standing plan to abolish conscription and Spain's opposition party may copy this week's decision by President Jacques Chirac as a potential vote-winner.

Yet the idea of a citizen's army runs deep. Switzerland still embodies the notion of a community which will put down its scythes and pick up its sabres if it is threatened with invasion. It is an essentially defensive posture which teaches basic military skills to the population so that they can protect their farms and villages.

Conscription has for years been bound up in the perceived need to maintain large standing armies in continental Europe. Germany in particular is surrounded by powerful neighbours on an open plain with long land borders to protect and few natural barriers.

According to Mr Volker Rühe, the German defence minister, only a conscript army, along with trained ex-service personnel available for recall, can provide the manpower needed for the task at a reasonable cost. Until the end of the cold war, the 3m conscripts of the Red Army on the other side of the Berlin wall added powerful weight to the argument.

Some see national service as a cohesive social force. In Italy, a relatively young nation with vast disparities between the populations of Palermo and Milan, service in the forces has been a way of instilling a sense of national identity. It also brings a sense of obligation to the state and service to the community.

Yet, for all that, the tide is running against conscription. The increasing emphasis on individual liberty since the 1960s runs directly counter to national service. Young people from wealthy families are evading conscription through travel, extended education or other loopholes, undermining the idea that military service mixes social groups and increasing the resentment of those who are still forced to go.

More seriously from a government perspective, the cost of maintaining such large forces, even at the miserly rate conscripts are usually paid, is now beginning to hurt. It is no accident that Mr Chirac's announcement of the end of French conscription came as part of a defence review designed to cut costs. Italy feels the pain of inadequate equipment because so much of its defence budget is consumed by pay.

However, the most significant argument against national service is that conscript armies are losing their military usefulness. As the prospect of the third world war erupting on the central German plain has faded, armies have adapted to become more mobile. The vogue now is for smaller, well equipped, high-tech units which can be deployed outside the traditional Nato sphere quickly to fight in coalition wars.

Conscript armies are more or less useless for this task. Fighting with advanced equipment in alliance with others requires much more training and understanding of doctrine than conscripts usually get.

The Gulf war against Iraq showed the power of modern weapons and the necessity of high levels of training. The US and the UK, both with professional armies, fought closely together, while France, which had to cobble non-conscript units together, was relegated to the fringes. That humiliation has not been forgotten.

Despite the momentum for change, Germany seems likely to be the one big European state which will stand out against a wholly professional army. Its worry is the separation which can develop between a military cadre and the society it is supposed to protect. Through the Weimar Republic, Germany maintained a professional army and the experience was not a happy one.

Yet just as Germany has come to terms with other aspects of its military past – and is now posting soldiers abroad again – so it may eventually find it healthy to field a professional army under civilian control. The youngsters who would no longer do guard duty on wet Saturday nights would doubtless be grateful.

CURRENCIES AND MONEY

MARKETS REPORT

Dollar shaky

By Philip Gawith

It was a game of two halves yesterday for the dollar, which rose first on the release of German money supply data, only to slip back later in the day when strong US data sent the Treasury market into reverse.

Technical factors were also at play, with traders closing out positions ahead of the weekend.

For the fourth day in succession, the Bank of Japan bought dollars during Asian trading, but the limited success of these operations is starting to weigh on the currency. It closed in London at DM1.4513, from DM1.4516 on Thursday, but off an intra-day high of DM1.4570. It slipped further to DM1.4450 in New York. Against the yen it closed at Y104.875, from Y105.02.

Sterling was dragged lower by the combination of a weaker dollar, and renewed political nervousness ahead of the debate on the Scott report on Monday, and a further crimping of the government's parliamentary majority. It finished at DM2.2355, from DM2.2402, and at $1.5404, from $1.5433.

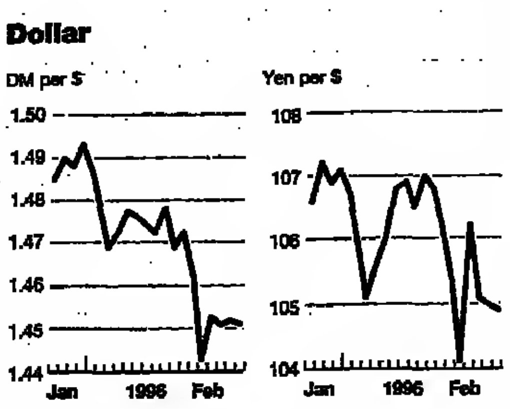
There was little currency movement in Europe, although the D-Mark was slightly weaker following the release of the January M3 data.

The South African rand, meanwhile, enjoyed another day of stability after the rout suffered over the last week. It closed at R3.855 against the dollar, from R3.89 on Thursday. This was better than the historic low of R4.03 on Wednesday, but compares to R3.65 before the slide started last week.

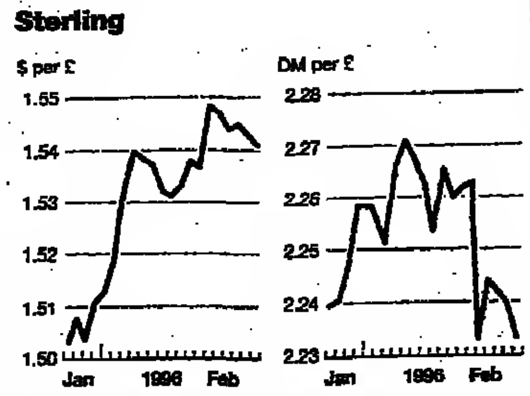
■ **Pound in New York**

Feb 23	Latest	Prev. close
£ spot	1.5415	1.5450
1 mth	1.5403	1.5438
3 mth	1.5381	1.5417
1 yr	1.5258	1.5298

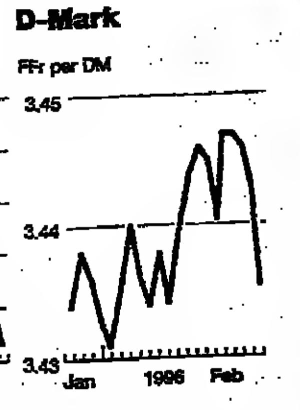
Dollar



Sterling



D-Mark



Source: FT Extel

■ The day got off to a good start for the dollar with the German M3 coming in at 8.4 per cent growth, against the fourth quarter 1995 base. This was well within what the market considered reasonable, and prompted an immediate rally in German interest rate markets, on the ground that it re-established the hope of further cuts in short rates.

The dollar also rallied, on the basis that lower German rates would help re-establish the type of yield differential between US and German bonds which customarily accompanies a dollar rally. It did not last for long, though, with a stronger than expected US housing starts figure prompting a reversal.

Mr Neil MacKinnon, chief economist at Citibank in London, said the dollar "did not look particularly comfortable", finishing the week below Y105, after four successive days of BOJ intervention. He predicted "further weakness, despite the best efforts of the BOJ."

Mr MacKinnon said speculative investors who had held dollars were starting to take profits – in some cases to fund losses suffered elsewhere – while the market was also underweight yen.

Mr MacKinnon said he believed "the very early stages of a bear market for bonds" is underway. If this is correct, and given established relationships between the dollar/D-Mark rate and the US T-bond/bunds yield gap, "these capital market indicators favour some recovery for the D-Mark."

■ "Sterling weakness amid government's political woes" is a very familiar story in the foreign exchange markets. The latest chapter follows the resignation of the whip by a further Tory MP. This shrinks the government's majority to two just ahead of the politically charged parliamentary debate on the Scott report, which the government could easily lose.

Mr Steve Barrow, economist at Chemical Bank in London, said the dollar had lost a pfennig on predictable rumours of further resignations by Tory MPs.

POUND SPOT FORWARD AGAINST THE POUND

Feb 23		Closing mid-point	Change on day	Bid/offer spread	Day's Mid high	Day's Mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	Bank of Eng. Index
Europe													
Austria	(Sch)	15.7245	-0.0332	167 - 322	15.8038	15.7197	15.6945	2.3	15.612	2.9	-	-	106.3
Belgium	(BFr)	45.9949	-0.0881	506 - 391	46.1460	45.9506	45.8899	2.7	45.6899	2.7	44.8299	2.5	108.6
Denmark	(DKr)	8.6432	-0.0217	391 - 473	8.6762	8.6391	8.6312	1.7	8.6111	1.5	8.505	1.9	109.6
Finland	(FM)	6.9424	-0.0163	346 - 502	6.9880	6.9346	6.938	0.9	6.9299	0.7	-	-	84.4
France	(FFr)	7.6802	-0.0325	756 - 847	7.7115	7.6686	7.6681	1.8	7.649	1.6	7.5695	1.4	109.9
Germany	(DM)	2.2355	-0.0047	344 - 365	2.2438	2.2324	2.2306	2.7	2.2206	2.7	2.1784	2.6	111.0
Greece	(Dr)	369.830	-1.119	561 - 100	371.245	369.561	-	-	-	-	-	-	65.9
Ireland	(I£)	0.9701	-0.0017	692 - 709	0.9732	0.9692	0.9691	1.2	0.9677	1.0	0.9637	0.7	97.9
Italy	(L)	2404.10	-18.11	301 - 519	2423.39	2401.01	2411.65	-3.8	2427.3	-3.9	2486.15	-3.4	73.0
Luxembourg	(LFr)	45.9949	-0.0881	506 - 391	46.1460	45.9506	45.8899	2.7	45.6899	2.7	44.8299	2.5	108.6
Netherlands	(Fl)	2.5039	-0.0054	029 - 050	2.5217	2.4988	2.4977	2.9	2.4856	2.9	2.4374	2.7	108.8
Norway	(NKr)	9.7621	-0.0277	534 - 707	9.8310	9.7422	9.7541	1.0	9.7407	0.9	9.692	0.9	99.2
Portugal	(Es)	232.339	-0.807	186 - 491	233.332	232.093	232.764	-2.2	233.669	-2.3	-	-	95.5
Spain	(Pta)	188.316	-0.414	145 - 486	188.972	188.145	188.736	-2.7	189.591	-2.7	192.671	-2.3	82.3
Sweden	(SKr)	10.3515	-0.0601	427 - 603	10.4268	10.3427	10.3529	-0.2	10.3559	-0.2	10.3643	-0.1	85.8
Switzerland	(SFr)	1.8159	-0.0091	146 - 172	1.8251	1.8128	1.8093	4.4	1.796	4.4	1.7443	3.9	114.7
UK	(£)	-	-	-	-	-	-	-	-	-	-	-	83.3
Ecu	-	1.2174	-0.0033	167 - 180	1.2225	1.2167	1.219	1.4	1.2133	1.3	1.2014	1.3	-
SDR†	-	1.047600	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	1.5401	-0.003	395 - 406	1.5469	1.5369	-	-	-	-	-	-	-
Brazil	(R$)	1.5124	-0.003	116 - 132	1.5189	1.5094	-	-	-	-	-	-	-
Canada	(C$)	2.1213	-0.0014	203 - 223	2.1263	2.1137	2.1197	0.9	2.1169	0.9	2.1071	0.7	83.3
Mexico	(New Peso)	11.5757	-0.0655	646 - 868	11.6527	11.5481	-	-	-	-	-	-	-
USA	($)	1.5404	-0.0029	399 - 408	1.5475	1.5373	1.5392	0.9	1.5363	1.1	1.5251	1.0	95.1
Pacific/Middle East/Africa													
Australia	(A$)	2.0358	-0.0117	345 - 370	2.0486	2.0309	2.0377	-1.1	2.0425	-1.3	2.0658	-1.5	97.9
Hong Kong	(HK$)	11.9106	-0.0236	065 - 150	11.9560	11.8872	11.9003	1.1	11.888	0.8	11.843	0.6	-
India	(Rs)	55.8454	-0.5854	906 - 002	56.5610	55.7730	-	-	-	-	-	-	-
Israel	(Shk)	4.7940	-0.0046	883 - 997	4.8096	4.7841	-	-	-	-	-	-	-
Japan	(Y)	161.544	-0.533	382 - 707	162.560	161.330	160.779	5.7	159.289	5.6	153.394	5.0	137.9
Malaysia	(M$)	3.9341	-0.0052	321 - 360	3.9492	3.9258	-	-	-	-	-	-	-
New Zealand	(NZ$)	2.2775	-0.0097	759 - 790	2.2971	2.2735	2.2813	-2.0	2.2945	-3.0	2.3283	-2.2	105.5
Philippines	(Peso)	40.3093	-0.0849	530 - 538	40.3536	40.2530	-	-	-	-	-	-	-
Saudi Arabia	(SR)	5.7771	-0.0111	751 - 791	5.8036	5.7660	-	-	-	-	-	-	-
Singapore	(S$)	2.1696	-0.0014	682 - 710	2.1773	2.1661	-	-	-	-	-	-	-
South Africa	(R)	5.9381	-0.0654	286 - 475	9.0100	5.9132	-	-	-	-	-	-	-
South Korea	(Won)	1201.85	-0.14	143 - 229	1205.41	1198.64	-	-	-	-	-	-	-
Taiwan	(T$)	42.3327	-0.0611	180 - 473	42.5268	42.2512	-	-	-	-	-	-	-
Thailand	(Bt)	38.8246	-0.0928	978 - 513	38.9970	38.7700	-	-	-	-	-	-	-

† Rates for Feb 22 Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling index calculated by the Bank of England. Base average 1990 = 100. Index rebased 1/2/95. Bid, Offer and Mid-rates in both this and the Dollar Spot tables derived from THE WM/REUTERS CLOSING SPOT RATES. Some values are rounded by the F.T

DOLLAR SPOT FORWARD AGAINST THE DOLLAR

Feb 23		Closing mid-point	Change on day	Bid/offer spread	Day's mid high	Day's mid low	One month Rate	One month %PA	Three months Rate	Three months %PA	One year Rate	One year %PA	J.P Morgan index
Europe													
Austria	(Sch)	10.2084	-0.002	063 - 104	10.2560	10.1790	10.1924	1.9	10.1609	1.9	10.0384	1.7	106.4
Belgium	(BFr)	29.8600	-	400 - 800	29.9920	29.7650	29.815	1.8	29.723	1.8	29.39	1.6	108.3
Denmark	(DKr)	5.6112	-0.0033	102 - 122	5.6325	5.5939	5.6078	0.7	5.6022	0.6	5.6167	-0.1	108.8
Finland	(FM)	4.5071	-0.0019	033 - 108	4.5404	4.4933	4.5026	1.2	4.4941	1.2	4.4776	0.7	83.7
France	(FFr)	4.9860	-0.0115	845 - 975	5.0101	4.9755	4.9819	1.0	4.9753	0.8	4.962	0.5	109.2
Germany	(DM)	1.4513	-0.0003	510 - 515	1.4582	1.4460	1.4492	1.7	1.4446	1.6	1.428	1.6	110.4
Greece	(Dr)	240.095	-0.265	990 - 200	241.170	239.740	241.57	-7.9	244.32	-6.0	259.595	-8.1	65.5
Ireland	(I£)	1.5879	-0.0003	863 - 883	1.5930	1.5803	1.5882	-0.2	1.5884	-0.1	1.5824	0.3	-
Italy	(L)	1560.75	-8.75	050 - 100	1572.29	1559.10	1567.1	-4.9	1578.85	-4.6	1629.75	-4.4	72.2
Luxembourg	(LFr)	29.8600	-	400 - 800	29.9920	29.7650	29.808	2.1	29.72	1.9	29.415	1.5	108.3
Netherlands	(Fl)	1.6256	-0.0004	253 - 258	1.6333	1.6179	1.6225	2.3	1.616	2.3	1.5936	2.0	108.3
Norway	(NKr)	6.3376	-0.0058	338 - 413	6.3705	6.3175	6.3354	0.4	6.3271	0.7	6.3101	0.4	98.3
Portugal	(Es)	150.835	-0.235	780 - 890	151.540	150.510	151.21	-3.0	151.96	-3.0	155.585	-3.1	95.4
Spain	(Pta)	122.255	-0.035	180 - 330	122.720	121.950	122.65	-3.9	123.385	-3.7	126.875	-3.8	82.1
Sweden	(SKr)	6.7203	-0.026	165 - 240	6.7739	6.7070	6.7374	-3.0	6.7668	-2.3	6.9043	-2.7	85.9
Switzerland	(SFr)	1.1759	-0.0036	784 - 794	1.1859	1.1760	1.1755	3.7	1.1684	3.5	1.1446	2.8	113.8
UK	(£)	1.5404	-0.0029	399 - 408	1.5475	1.5373	1.5392	0.9	1.5371	0.9	1.5251	1.0	83.1
Ecu	-	1.2655	-0.0003	650 - 656	1.2671	1.2592	1.2656	-0.3	1.266	-0.2	1.2666	-0.1	-
SDR†	-	0.67920	-	-	-	-	-	-	-	-	-	-	-
Americas													
Argentina	(Peso)	0.9999	-	998 - 999	1.0000	0.9998	-	-	-	-	-	-	-
Brazil	(R$)	0.9819	-	816 - 821	0.9821	0.9816	-	-	-	-	-	-	-
Canada	(C$)	1.3772	+0.0018	769 - 774	1.3778	1.3737	1.3774	-0.1	1.3775	-0.1	1.3825	-0.4	82.5
Mexico	(New Peso)	7.5150	-0.028	100 - 200	7.5200	7.5100	7.5172	-0.4	7.5204	-0.3	7.5253	-0.1	-
USA	($)	-	-	-	-	-	-	-	-	-	-	-	96.1
Pacific/Middle East/Africa													
Australia	(A$)	1.3215	-0.0051	212 - 221	1.3221	1.3212	1.3235	-1.8	1.327	-1.7	1.3457	-1.8	88.7
Hong Kong	(HK$)	7.7325	-0.0005	320 - 330	7.7330	7.7322	7.7332	-0.1	7.735	-0.1	7.762	-0.4	-
India	(Rs)	36.2550	-0.31	300 - 800	36.6130	36.2300	36.405	-5.0	36.71	-5.0	38.19	-5.3	-
Israel	(Shk)	3.1123	+0.003	095 - 151	3.1189	3.1057	-	-	-	-	-	-	-
Japan	(Y)	104.875	-0.145	800 - 950	105.350	104.470	104.44	5.0	103.64	4.7	100.57	4.1	138.3
Malaysia	(M$)	2.5540	-0.0015	535 - 545	2.5550	2.5513	2.5549	-0.4	2.561	-1.1	2.5845	-1.2	-
New Zealand	(NZ$)	1.4784	-0.0035	780 - 791	1.4844	1.4760	1.4815	-2.5	1.4873	-2.4	1.5119	-2.3	-
Philippines	(Peso)	26.1650	-0.005	400 - 900	26.1900	26.1400	-	-	-	-	-	-	-
Saudi Arabia	(SR)	3.7505	-	503 - 507	-	-	3.7511	-0.1	3.7517	-0.1	3.755	-0.1	-
Singapore	(S$)	1.4085	+0.0019	080 - 090	1.4025	1.4064	1.405	3.0	1.399	2.7	1.3725	2.5	-
South Africa	(R)	3.8550	-0.035	500 - 600	3.8925	3.8475	3.8833	-8.9	3.9352	-8.3	4.1585	-7.9	-
South Korea	(Won)	780.250	+1.4	200 - 300	780.100	779.100	782.25	-4.6	786.75	-3.3	805.25	-3.2	-
Taiwan	(T$)	27.4825	-	510 - 840	-	-	27.5025	-0.9	27.5425	-0.9	-	-	-
Thailand	(Bt)	25.2050	-0.012	950 - 150	25.2150	25.1950	25.3037	-4.7	25.5075	-4.8	26.39	-4.7	-

† SDR rate per $ for Feb 22. Bid/offer spreads in the Dollar Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted in US currency. J.P. Morgan nominal indices Feb 22: Base average 1990=100

WORLD INTEREST RATES

MONEY RATES

February 23	Over night	One month	Three mths	Six mths	One year	Lomb. inter.	Dis. rate	Repo rate
Belgium	3⅛	3⅛	3⅛	3⅜	3⅛	7.00	3.00	-
week ago	3⅜	3⅛	3⅜	3⅜	3⅜	7.00	3.00	-
France	4⅛	4⅛	4⅜	4⅛	4⅛	3.90	-	5.60
week ago	4⅛	4⅛	4⅛	4⅛	4⅜	3.90	-	5.60
Germany	3⅛	3⅛	3⅛	3⅛	3⅛	5.00	3.00	3.30
week ago	3⅛	3⅛	3⅛	3⅛	3⅛	5.00	3.00	3.30
Ireland	5⅛	5⅛	5⅛	5⅛	5⅛	-	-	6.25
week ago	5⅛	5⅛	5⅛	5⅛	5⅛	-	-	6.25
Italy	10⅛	10	9⅞	9⅞	9⅞	-	9.00	9.72
week ago	10⅛	10	9⅞	9⅞	9⅞	-	9.00	9.72
Netherlands	3⅛	3⅛	3⅛	3⅛	3⅛	-	3.00	3.30
week ago	3⅛	3⅛	3⅛	3⅛	3⅛	-	3.00	3.30
Switzerland	1	1⅛	1⅜	1⅜	1⅝	5.00	1.50	-
week ago	1	1⅛	1⅜	1⅜	1⅝	5.00	1.50	-
US	5⅜	5⅛	5⅛	5⅛	5⅛	-	5.00	-
week ago	5⅜	5⅛	5⅛	5⅛	4⅞	-	5.00	-
Japan	½	½	½	⅝	1	-	0.50	-
week ago	½	½	½	¾	⅞	-	0.50	-
■ **$ LIBOR FT London**								
Interbank Fixing	-	5⅛	5⅛	5⅛	5⅛	-		
week ago	-	5⅛	5⅛	5⅛	5	-		
US Dollar CDs	-	5.05	4.92	4.90	4.88	-		
week ago	-	5.05	4.98	4.85	4.72	-		
ECU Linked Ds	-	4⅞	4⅞	4⅞	4⅞	-		
week ago	-	4⅞	4⅞	4⅞	4⅞	-		
SDR Linked Ds	-	3⅜	3⅜	3⅜	3⅜	-		
week ago	-	3⅜	3⅜	3⅜	3⅜	-		

$ LIBOR interbank fixing rates are offered rates for $10m quoted to the market by four reference banks at 11am each working day. The banks are: Bankers Trust, Bank of Tokyo, Barclays and National Westminster.
Mid rates are shown for the domestic Money Rates, US$ CDs, ECU & SDR Linked Deposits (Ds).

EURO CURRENCY INTEREST RATES

Feb 23	Short term	7 days notice	One month	Three months	Six months	One year
Belgian Franc	3⅜ - 3¼	3⅜ - 3¼	3⅜ - 3⅜	3⅜ - 3⅜	3⅜ - 3⅜	3½ - 3⅜
Danish Krone	4½ - 4	4⅜ - 4¼	4½ - 4⅜	4⅜ - 4⅜	4⅜ - 4½	4⅜ - 4⅜
D-Mark	3¼ - 3⅛	3½ - 3⅜	3½ - 3⅜	3⅜ - 3⅜	3⅜ - 3⅜	3⅜ - 3⅜
Dutch Guilder	3¼ - 3⅛	3¼ - 3⅛	3⅜ - 3⅜	3⅜ - 3⅜	3⅜ - 3⅜	3⅜ - 3⅜
French Franc	4¼ - 4⅛	4¼ - 4⅛	4⅜ - 4⅜	4½ - 4⅜	4⅜ - 4⅜	4⅜ - 4⅜
Portuguese Esc.	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞	8⅛ - 7⅞
Spanish Peseta	9 - 8⅞	9⅛ - 8⅞	9⅛ - 8⅞	8⅞ - 8⅞	8⅞ - 8⅞	8⅞ - 8⅞
Sterling	6⅜ - 6¼	6⅜ - 6⅛	6¼ - 6⅛	6⅛ - 6⅛	6⅛ - 6	6⅛ - 6⅛
Swiss Franc	1⅝ - 1½	1⅜ - 1⅝	1⅜ - 1⅜	1⅜ - 1⅝	1⅜ - 1⅜	2⅛ - 1⅞
Can. Dollar	5⅜ - 5	5¼ - 5⅛	5¼ - 5⅛	5¼ - 5⅛	5¼ - 5⅛	5⅜ - 5⅜
US Dollar	5¼ - 5⅛	5¼ - 5⅛	5¼ - 5⅛	5⅛ - 5⅛	5⅛ - 5	5⅛ - 4⅞
Italian Lira	10⅞ - 10⅝	10⅞ - 10⅝	10⅛ - 10	10 - 9⅞	9⅞ - 9⅞	9⅞ - 9⅞
Yen	½ - ⅜	⅝ - ⅝	⅜ - ⅜	⅜ - ⅝	⅝ - ⅝	⅜ - ⅝
Asian $Sing	⅜ - ⅜	1⅜ - 1¼	1⅜ - 1⅜	2⅛ - 2	2⅜ - 2¼	2⅜ - 2⅜

Short term rates are call for the US Dollar and Yen, others: two days' notice.

■ **THREE MONTH PIBOR FUTURES** (MATIF) Paris Interbank offered rate (FFr5m)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.42	95.53	+0.10	95.53	95.41	37,324	52,961
Jun	95.44	95.58	+0.10	95.59	95.43	21,065	57,130
Sep	95.44	95.57	+0.18	95.58	95.44	8,518	47,479

■ **THREE MONTH EUROMARK FUTURES** (LIFFE)* DM1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	96.58	96.62	+0.05	96.66	96.58	30180	198825
Jun	96.62	96.68	+0.08	96.75	96.62	61836	178040
Sep	96.44	96.54	+0.11	96.67	96.44	57985	186834
Dec	96.19	96.28	+0.13	96.37	96.17	54890	154329

■ **THREE MONTH EUROLIRA FUTURES** (LIFFE)* L1000m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	90.08	90.18	+0.18	90.24	90.07	9740	36541
Jun	90.52	90.67	+0.17	90.72	90.52	10385	32466
Sep	90.98	91.07	+0.17	91.12	90.96	2172	18932
Dec	91.05	91.15	+0.17	91.21	91.05	1401	12124

■ **THREE MONTH EURO SWISS FRANC FUTURES** (LIFFE) SFr1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	98.21	98.29	+0.11	98.30	98.20	5059	27189
Jun	98.08	98.22	+0.17	98.22	98.08	11862	21952
Sep	97.88	98.03	+0.18	98.04	97.88	3498	12035
Dec	97.59	97.74	+0.20	97.75	97.59	2850	8478

■ **THREE MONTH ECU FUTURES** (LIFFE) Ecu1m points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	95.26	95.30	+0.07	95.34	95.26	1161	8070
Jun	95.38	95.40	+0.07	95.45	95.38	611	4679
Sep	95.29	95.35	+0.10	95.39	95.29	279	3089
Dec	95.12	95.14	+0.09	95.18	95.12	244	3108

* LIFFE futures also traded on APT

CROSS RATES AND DERIVATIVES

EXCHANGE CROSS RATES

Feb 23		BFr	DKr	FFr	DM	I£	L	Fl	NKr	Es	Pta	SKr	SFr	£	C$	$	Y	Ecu
Belgium	(BFr)	100	18.79	16.70	4.860	2.108	5227	5.445	21.23	505.1	409.4	22.50	3.949	2.174	4.612	3.349	351.2	2.646
Denmark	(DKr)	53.21	10	8.886	2.586	1.122	2781	2.897	11.29	268.8	217.9	11.98	2.101	1.157	2.454	1.782	186.9	1.408
France	(FFr)	59.88	11.25	10	2.910	1.263	3130	3.260	12.71	302.5	245.2	13.48	2.365	1.302	2.762	2.005	210.3	1.585
Germany	(DM)	20.58	3.867	3.436	1	0.434	1076	1.120	4.368	103.9	84.25	4.631	0.813	0.447	0.948	0.689	72.26	0.545
Ireland	(I£)	47.41	8.910	7.918	2.304	1	2478	2.581	10.06	239.5	194.1	10.67	1.872	1.031	2.187	1.588	166.5	1.255
Italy	(L)	1.913	0.360	0.319	0.093	0.040	100.	0.104	0.406	9.663	7.833	0.431	0.076	0.042	0.088	0.064	6.719	0.051
Netherlands	(Fl)	18.37	3.452	3.067	0.893	0.387	960.1	1	3.899	92.77	75.20	4.133	0.725	0.399	0.847	0.615	64.50	0.486
Norway	(NKr)	47.11	8.854	7.867	2.289	0.994	2463	2.565	10	238.0	192.9	10.60	1.860	1.024	2.173	1.578	165.4	1.247
Portugal	(Es)	19.80	3.721	3.306	0.962	0.418	1035	1.078	4.202	100.	81.06	4.455	0.782	0.430	0.913	0.663	69.52	0.524
Spain	(Pta)	24.42	4.590	4.079	1.187	0.515	1277	1.330	5.184	123.4	100.	5.497	0.964	0.531	1.126	0.819	85.77	0.646
Sweden	(SKr)	44.43	8.351	7.420	2.159	0.937	2323	2.418	9.432	224.4	181.9	10	1.755	0.966	2.049	1.488	156.0	1.176
Switzerland	(SFr)	25.32	4.759	4.229	1.231	0.534	1324	1.379	5.376	127.9	103.7	5.699	1	0.551	1.168	0.848	88.93	0.670
UK	(£)	45.99	8.643	7.680	2.235	0.970	2404	2.504	9.762	232.3	188.3	10.35	1.819	1	2.121	1.540	161.5	1.217
Canada	(C$)	21.68	4.075	3.621	1.054	0.457	1133	1.181	4.603	109.5	88.78	4.880	0.856	0.471	1	0.726	76.14	0.574
US	($)	29.86	5.612	4.987	1.451	0.630	1561	1.626	6.339	150.8	122.3	6.721	1.179	0.649	1.377	1	104.9	0.790
Japan	(Y)	29.48	5.352	4.755	1.384	0.601	1489	1.550	9.045	143.8	118.8	6.409	1.124	0.619	1.313	0.954	100.	0.754
Ecu		37.79	7.102	6.311	1.836	0.797	1975	2.058	8.021	190.9	154.7	8.505	1.492	0.822	1.743	1.265	132.7	1

Danish Kroner, French Franc, Norwegian Kroner, and Swedish Kronor per 10: Belgian Franc, Yen, Escudo, Lira and Peseta per 100.

■ **D-MARK FUTURES** (IMM) DM 125,000 per DM

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.6903	0.6894	-0.0007	0.6894	0.6871	15,667	64,591
Jun	0.6940	0.6923	-0.0009	0.6923	0.6903	4,081	8,187
Sep	0.6952	0.6958	-	0.6958	0.6952	7	1,502

■ **SWISS FRANC FUTURES** (IMM) SFr 125,000 per SFr

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.8460	0.8506	+0.0020	0.8506	0.8471	10,135	37,285
Jun	0.8554	0.8577	+0.0020	0.8577	0.8544	176	2,476
Sep	0.8615	0.8315	-0.0007	0.8615	0.8615	11	232

■ **JAPANESE YEN FUTURES** (IMM) Yen 12.5 per Yen 100

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	0.9558	0.9563	+0.0015	0.9563	0.9537	18,948	72,300
Jun	0.9620	0.9663	+0.0006	0.9663	0.9648	905	5,823
Sep	-	0.9730	-	-	0.9900	5	811

■ **STERLING FUTURES** (IMM) £62,500 per £

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	1.5426	1.5368	-0.0076	1.5460	1.5356	5,468	42,760
Jun	1.5340	1.5332	-0.0080	1.5370	1.5330	46	10,484
Sep	-	1.5360	-	-	1.5340	3	9

EMS EUROPEAN CURRENCY UNIT RATES

Feb 23	Ecu cen. rates	Rate against Ecu	Change on day	% +/- from cen. rate	% spread v weakest	Div. ind.
Spain	162.493	158.934	-0.055	-2.19	5.56	15
Netherlands	2.15214	2.11359	+0.00153	-1.79	5.13	13
Belgium	39.3960	38.8263	-0.0513	-1.45	4.78	11
Austria	13.4393	13.2767	+0.0112	-1.20	4.51	8
Germany	1.91007	1.88743	+0.00153	-1.18	4.49	12
Denmark	7.28580	7.29803	+0.00408	0.17	3.08	-1
Portugal	195.792	196.162	-0.163	0.20	3.04	-1
France	6.40608	6.48347	-0.00769	1.21	2.02	-10
Ireland	0.792214	0.817952	-0.000735	3.25	0.00	-22
NON ERM MEMBERS						
Greece	292.867	312.350	+0	6.66	-3.18	-
Italy	2106.15	2034.23	-4.89	-3.41	6.90	-
UK	0.786652	0.842244	-6.6e-05	7.07	-3.57	-

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
(17/9/92) Sterling and Italian Lira suspended from ERM. Adjustment calculated by the Financial Times.

■ **PHILADELPHIA SE £/$ OPTIONS** £31,250 (cents per pound)

Strike Price	CALLS Feb	CALLS Mar	CALLS Apr	PUTS Feb	PUTS Mar	PUTS Apr
1.490	-	-	-	0.05	-	-
1.500	4.36	4.52	4.85	0.07	0.33	0.67
1.510	3.39	3.69	4.11	0.14	0.43	0.93
1.520	2.51	2.88	3.42	0.26	0.68	1.24
1.530	1.77	2.31	2.80	0.26	1.01	1.62
1.540	1.12	1.73	2.30	0.39	1.42	2.07

Previous day's vol., Calls 1,904 Puts 1,457 . Prev. day's open int., Calls 168,455 Puts 186,880

■ **THREE MONTH EURODOLLAR** (IMM) $1m points of 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	94.74	94.78	+0.01	94.91	94.77	62,031	351,659
Jun	94.88	94.96	+0.03	95.06	94.87	113,535	414,402
Sep	94.98	95.08	-	95.18	95.08	130,771	317,864

■ **US TREASURY BILL FUTURES** (IMM) $1m per 100%

	Open	Latest	Change	High	Low	Est. vol	Open int.
Mar	95.28	95.27	+0.01	95.30	95.27	806	7,323
Jun	95.45	95.43	-	95.48	95.43	380	8,965
Sep	95.55	95.58	+0.12	95.58	95.55	105	1,398

All Open interest figs. are for previous day

■ **EUROMARK OPTIONS** (LIFFE) DM1m points of 100%

Strike Price	CALLS Mar	CALLS Apr	CALLS May	CALLS Jun	PUTS Mar	PUTS Apr	PUTS May	PUTS Jun
9650	0.14	0.22	0.24	0.26	0.02	0.04	0.06	0.08
9675	0.02	0.07	0.09	0.12	0.15	0.14	0.16	0.19
9700	0.01	0.01	0.03	0.05	0.38	0.33	0.35	0.37

Est. vol. total, Calls 15680 Puts 7077. Previous day's open int., Calls 384908 Puts 318493

■ **EURO SWISS FRANC OPTIONS** (LIFFE) SFr 1m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9825	0.13	0.18	0.22	0.08	0.21	0.44
9850	0.02	0.09	0.12	0.23	0.37	0.59
9875	0.01	0.02	0.05	0.47	0.55	0.77

Est. vol. total, Calls 0 Puts 1. Previous day's open int., Calls 9353 Puts 4273

UK INTEREST RATES

LONDON MONEY RATES

Feb 23	Over-night	7 days notice	One month	Three months	Six months	One year
Interbank Sterling	6⅜ - 4½	9⅜ - 6⅛	6⅜ - 6⅛	6¼ - 6⅛	6⅛ - 6	6¼ - 6⅛
Sterling CDs	-	-	6¼ - 6⅛	6⅛ - 9⅛	6⅛ - 6⅛	6⅛ - 6⅛
Treasury Bills	-	-	6⅛ - 6⅛	6 - 5⅞	-	-
Bank Bills	-	-	6⅛ - 6⅛	8 - 5⅞	5⅞ - 5⅞	-
Local authority deps.	6⅛ - 6⅛	6⅛ - 6⅛	6¼ - 6⅛	6⅛ - 6⅛	6⅛ - 5⅞	6⅛ - 5⅞
Discount Market deps	6⅛ - 9	6¼ - 6⅛	-	-	-	-

UK clearing bank base lending rate 6¼ per cent from January 19, 1996

	Up to 1 month	1-3 month	3-6 months	6-9 months	9-12 months
Certs of Tax dep. (£100,000)	2½	5½	5	5	4¾

Certs of Tax dep. under £100,000 is 2½pc. Deposits withdrawn for cash 1½pc.
Ave. tender rate of discount 5.9280pc. ECGD fixed rate Stg. Export Finance. Make up day Jan 31, 1996. Agreed rate for period Feb 26, 1996 to Mar 25, 1996, Schemes II & III 7.69pc. Reference rate for period Dec 30, 1995 to Jan 31, 1996, Schemes IV & V 6.440pc. Finance House Base Rate 6.5pc from February 1, 1996

■ **THREE MONTH STERLING FUTURES** (LIFFE) £500,000 points of 100%

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	93.89	93.90	-	93.93	93.86	10970	84704
Jun	93.94	93.94	-0.02	94.01	93.80	26585	80641
Sep	93.84	93.84	-0.01	93.95	93.82	23510	57349
Dec	93.61	93.62	-	93.71	93.59	9715	44923
Mar	93.32	93.33	-	93.41	93.32	2687	32284

Also traded on APT. All Open interest figs. are for previous day.

■ **SHORT STERLING OPTIONS** (LIFFE) £500,000 points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9375	0.19	0.32	0.41	0.03	0.13	0.32
9400	0.04	0.17	0.26	0.14	0.23	0.42
9425	0	0.08	0.17	0.35	0.39	0.58

Est. vol. total, Calls 13053 Puts 14222. Previous day's open int., Calls 153216 Puts 157129

BASE LENDING RATES

	%
Adam & Company	6.25
Allied Trust Bank	6.25
AIB Bank	6.25
●Henry Ansbacher	6.25
Bank of Baroda	6.25
Banco Bilbao Vizcaya	6.25
Bank of Cyprus	6.25
Bank of Ireland	6.25
Bank of India	6.25
Bank of Scotland	6.25
Barclays Bank	6.25
Brit Bk of Mid East	6.25
●Brown Shipley & Co Ltd	6.25
Citibank NA	6.25
Clydesdale Bank	6.25
The Co-operative Bank	6.25
Coutts & Co	6.25
Credit Lyonnais	6.25
Cyprus Popular Bank	6.25
Duncan Lawrie	9.25
Exeter Bank Limited	7.25
Financial & Gen Bank	7.00
●Robert Fleming & Co	6.25
Girobank	6.25
●Guinness Mahon	6.25
Habib Bank AG Zurich	6.25
●Hambros Bank	6.25
Heritable & Gen Inv Bk	6.25
●Hill Samuel	6.25
C. Hoare & Co	6.25
Hongkong & Shanghai	6.25
Julian Hodge Bank	6.25
●Leopold Joseph & Sons	6.25
Lloyds Bank	6.25
Meghraj Bank Ltd	6.25
Midland Bank	6.25
*Mount Credit Corp	6.25
NatWestminster	6.25
●Rea Brothers	6.25
Royal Bk of Scotland	6.25
●Singer & Friedlander	6.25
●Smith & Williman Secs	6.25
TSB	6.25
United Bank of Kuwait	9.25
Unity Trust Bank Plc	6.25
Western Trust	6.25
Whiteaway Laidlaw	6.25
Yorkshire Bank	6.25

● Members of London Investment Banking Association
* In administration

■ **EUROLIRA OPTIONS** (LIFFE) L1000m points of 100%

Strike Price	CALLS Mar	CALLS Jun	CALLS Sep	PUTS Mar	PUTS Jun	PUTS Sep
9000	0.29	0.87	1.35	0.11	0.20	0.28
9025	0.15	0.69	1.18	0.22	0.27	0.34
9050	0.06	0.53	0.99	0.38	0.38	0.42

Est. vol. total, Calls 1775 Puts 50. Previous day's open int., Calls 25844 Puts 19975

■ **OTHER CURRENCIES**

Feb 23	£	$
Czech Rp	41.5342 - 41.5739	26.9720 - 26.9820
Hungary	217.111 - 217.314	140.990 - 141.040
Iran	4622.40 - 4619.70	3000.00 - 3000.00
Kuwait	0.4597 - 0.4607	0.2985 - 0.2990
Poland	3.9180 - 3.9290	2.5450 - 2.5500
Russia	7403.55 - 7403.84	4805.00 - 4808.00
U.A.E.	5.6551 - 5.6582	3.6724 - 3.6729

FT GUIDE to WORLD CURRENCIES

The FT Guide to World Currencies table can be found on Companies and Finance pagein Monday's edition.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

AUTHORISED UNIT TRUSTS

Int'l Sterling Unit Trust Managers Ltd (1200)F
Abbey Unit Tst Mngrs (1000)H
Abbey National Unit Trust Managers Ltd (1200)F
Abbfund Unit Trust Managers Ltd (1000)F
Aberforth Unit Trust Managers Ltd (1030)F
Alliance Unit Trust Managers Ltd (1000)F
Alliance Trust Managers Ltd (1200)F
Allied Dunbar Unit Trusts PLC (1000)F
Allied Zurich Unit Trust Managers Ltd (1000)F
Alpha Unit Trust Managers Ltd (1200)F
Amev/Spectra Unit Trust Managers Ltd (1200)F
Anglia Unit Trust Managers Ltd (1200)F
Arbuthnot Unit Trust Managers Ltd (1000)F
Arkwright Unit Trust Managers Ltd (1200)F
Ashdown Unit Trust Managers Ltd (1200)F
Ashley Unit Trust Managers Ltd (1200)F
Ashmore Unit Trust Managers Ltd (1200)F
Aviva Unit Trust Managers Ltd (1200)F
B & C Unit Trust Mngrs Ltd (1000)F
BSI-Thorsitt Unit Trust Mngrs Ltd (1400)F
BWD Rensburg Unit Trust Managers (1100)F
Bank of Ireland Fund Mngrs Ltd (1400)F
Barclays Unicorn Ltd (1000)F
Barings Fund Managers Ltd - Contd.
Blackstone Franks UT Mngrs Ltd (1000)F
Britannia Fund Managers Ltd (1000)F
C2S Unit Managers Ltd (1000)F
Canada Life Management (UK) Ltd (1200)F
Capel-Cure Myers UT Mngt Ltd (1200)F
Charlemagne Unit Trust Managers Ltd (1200)F
Cheyne Unit Trust Managers Ltd (1200)F
Co-op Pension Fds UT Mngrs Ltd (1000)F
Credit Suisse Inv Fnds (UK) Ltd (1200)F
Dimensional Tst Mngmt Ltd (8000)F
Direct Line Unit Trusts Ltd
Discretionary Unit Fund Mngrs (1000)F
Dunedin Lowrie Unit Management Ltd (9000)F
Dunedin Unit Tst Mngrs Ltd (1200)F
Eagle Star Unit Mngrs Ltd (1000)F
Edinburgh Unit Trust Managers Ltd (1400)F
Elite Price Unit Trust Managers Ltd (1000)F
Endurance Fund Management Ltd (9000)F
Equitable Unit Trust Managers Ltd (1000)F
Eurobond Unit Trust Managers Ltd (1200)F
Eurotrust Unit Trust Managers Ltd (1200)F
Everthorpe Investment Mngs Ltd (1000)F
Exeter Fund Managers Ltd (1000)F
Family Investment Mngmt Ltd (1000)F
Fidelity Investment Serve Ltd (1200)F
Fleming Private Fund Mngt Ltd (1200)F
Fleming Unit Trust Management Ltd
Friends Provident Unit Trusts (1000)F
Gartmore Fund Managers Ltd (1000)F
Gartmore Unit Trust Managers Ltd (1400)F
Gemfund Unit Trust Managers Ltd (1000)F
GT Global Fund Management Ltd (1000)F
Hambros Unit Trust Managers Ltd (1000)F
Hargreaves Lansdown Fd Mngrs Ltd (1000)F
Henderson Touche Remnant UTM (1200)F
HSBC Unit Trust Management Ltd (1400)F
Halifax Unit Trust Management Ltd (1400)F
Hill Samuel Unit Tst Mngrs (1200)F
High Peak Unit Trust Management Ltd (1200)F
Invesco Unit Trust Managers Ltd (1200)F
Jupiter Unit Trust Managers Ltd (1200)F
Kleinwort Benson Unit Trusts (1400)F
Lloyds Bk Unit Tst Mgrs Ltd (1000)F
London & Manchester Tst Mgmt (1000)F
M & G Securities (1330)F
MEM Unit Managers Ltd
MT Unit Trust Managers Ltd
Mew Jolat Investors Ltd (0659)F
Midland Unit Trust Managers Ltd (1000)F
Marks & Spencer Unit Trust Ltd (1400)F
Martin Currie Unit Trusts Ltd (0905)H
Johnson Fry Unit Trust Managers Ltd (1000)F
Legal & General (U.T. Mgrs) Ltd (1200)F
Lloyds Bank Unit Trust Managers Ltd
Laurence Keen Unit Trust Mngmt (1300)F
Lazard Unit Tst Mngrs Ltd (1200)F
Lincoln National (1200)F
Matheson Unit Trusts Ltd (0900)F
Mayflower Mngmnt Company Ltd (1200)F
Mercury Fund Managers Ltd (1000)F
Metropolitan Unit Trust Mngrs Ltd (1000)F
MidWest Unit Trust Managers (1200)F
Midland Unit Trust Managers Ltd (1200)F
Millennium Fund Management Ltd (1000)F
Morgan Grenfell Invest Fds Ltd - Contd.
Murray Johnstone UT Mngmt (1000)H
N&P Unit Trust Management Ltd (1200)F
NFU Mutual Unit Mngrs Ltd (1400)F
NPI Investment Managers (1400)H
National Australia Trust Mgt Co Ltd (1000)F
Nationwide Unit Trust Managers Ltd (1200)F
Norwich Union Tst Managers (1200)F
Northern Rock Unit Trusts Ltd (0905)F
Newton Fund Mngrs Ltd (1200)F
Objective Unit Trust Management Ltd (1000)F

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of AUTIF §§

INITIAL CHARGE: Charges made by a unit trust manager. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the buying price of units.

BUYING PRICE: Also called offer price. The price at which units are bought by investors.

SELLING PRICE: Also called bid price. The price at which units are sold back by investors.

TREATMENT OF MANAGER'S

PERIODIC CHARGE: The letter C denotes that the trust deducts all or part of the manager's periodic charge from capital; contact the manager for full details of the effect of this course of action.

EXIT CHARGES: The letter E denotes that an exit charge may be made when you sell units, contact the manager for full details.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point, unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (*) - 0001 to 2100 hours; (#) - 1101 to 1400 hours; (+) - 1401 to 1700 hours; (◆) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of 30 intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Association of Unit Trusts and Investment Funds, 65 Kingsway, London, WC2B 6TD. Tel: 0171-831-0296.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Old Mutual Fund Managers Ltd (1200)H
2 Bartley Way, Hook, Hants RG27 9XA 01256 768888

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
Emerging Asia Acc.	5½		228.80	248.00	-2.20	0.00
Emerging Asia Inc.	5½		227.00	248.10	-2.18	0.00
European Acc	5½		312.40	338.50	+7.90	0.55
European Inc	5½		295.30	318.00	+7.50	0.55
Hong Kong Acc.	5½		204.90	218.00	+1.40	1.15
Hong Kong Inc	5½		175.90	189.00	+1.20	1.18
Inr Mngd PEP Acc.	5½		75.89	81.31	-0.35	1.33
Inr Mngd PEP Inc.	5½		69.89	74.90	+0.25	1.33
Japan Acc	5½		112.70	120.20	—	0.00
Japan Inc	5½		112.40	120.00	—	0.00
Latin American Comp Acc.	5½		63.68	68.98	-1.13	0.00
Latin American Comp Inc.	5½		63.59xd	68.89	+1.13	0.00
New Zealand Acc.	5½		160.18	117.60	+1.60	3.04
New Zealand Inc.	5½		100.00	108.50	+1.30	3.04
Nth American Acc.	5¼		130.90	145.90	-3.10	0.57
Nth American Inc.	5½		129.00	137.40	+2.80	0.57
Swiss Equities Acc.	5½		85.92	91.72	+0.51	0.87
Swiss Equities Inc.	5½		85.00	90.74	+0.51	0.87
Thailand Acc.	5¼		190.40	203.60	-3.20	0.94
Thailand Inc.	5½		180.18	193.00	-3.30	0.94
UK All Share Mirror Acc.	5½		72.85	78.08	+0.15	2.03
UK All Share Mirror Inc.	5½		66.75	73.05	+0.14	2.05
UK Money Mkt Acc.	0		75.58	75.58	+0.05	5.70
UK Money Mkt Inc.	0		50.13xd	55.13	—	5.70
Worldwide Acc	5½		190.00	198.70	-1.30	0.39
Worldwide Inc	5½		173.20	186.10	-1.20	0.18
W'wide Bond Acc	5½		95.04	100.50	-0.00	5.00
W'wide Bond Inc	5½		67.70	71.80	+0.35	5.00
Prolific Unit Trusts						
Asia Income & Growth Acc.	3¼	C	55.66	58.40	-0.30	2.40
Asia Income & Growth Inc	3¼	C	54.72	57.30	+0.20	2.40
BMG UK & Int Securities Acc.	5¼		53.50	55.91	+0.13	0.00
BMG UK & Int Securities Inc	5¼		53.44	58.85	+0.14	0.00
Berkeley Income Acc.	5¼	C	124.88	132.20	+0.89	4.04
Berkeley Income	5¼	C	121.00xd	128.70	+0.70	4.04
Berkeley Intl Growth	5¼		132.30	140.70	+0.60	0.00
CAM British Gwth Acc.	5¼		118.70	127.20	+0.40	0.00
CAM British Gwth Inc	5¼		106.50	114.00	+0.30	0.00
Canfield Portfolio of Funds	5¼		54.64	60.10	-1.08	0.00
Canfield Securities Inst Acc.	5¼		121.40	132.70	-0.60	0.00
Canfield Securities Inst Inc	5¼		121.40	132.70	+0.85	0.00
Christows Trustees	5¼		89.42	95.84	+0.50	0.00
Christows Portfolio	5¼		70.75	83.00	+0.30	0.00
Christows Opportunities	5¼		70.59	75.50	+0.18	0.00
Fitzwilliam Mgd-Mgr	½		112.10	113.90	—	0.45
Hartley Growth	5¼		180.30	198.70	-0.10	0.00
IPS Portfolio Acc.	0		93.87	100.40	+0.48	0.00
IPS Portfolio Inc.	0		92.90xd	99.38	-0.48	0.00
Intl Growth Acc	0		96.40	103.10	+0.40	0.94
Inc Growth Inc	0		91.92	98.31	-0.34	0.94
International Strat.	5¼		85.16	91.08	+0.09	0.00
Lowes Inc Growth	5¼		54.02	58.86	+0.44	0.66

Rothschild Fund Management - Contd.
RAM FSAVC Scheme

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
UK Major Co's	5¼		111.87	117.75	-0.28	-
UK Smaller Co's	5¼		98.25	103.41	-0.39	-
UK Income	5¼		111.88	117.88	+0.18	-
America	5¼		130.38	137.21	+2.17	-
Japanese	5¼		53.25	58.00	+0.11	-
European	5¼		123.03	129.50	+2.18	-
Gilt	5¼		94.32	99.28	—	-
Deposit	5¼		84.18	88.52	+0.01	-
Managed	6¼		106.02	111.92	+0.47	-

Royal Bank of Scotland UT Mgmt Ltd (1200)F
Capital House 2, Festival Square, Edinburgh EH3 9SU
Investor Helpline 0800 716748 Consultant Helpline 0800 387838
Dealing: 0800 833561

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
Balanced	6	C	122.14xd	130.83	+0.35	2.14
Growth	6		117.77	125.96	-0.03	2.53
High Yield	4		102.05xd	108.86	-0.01	7.85
Income	6		114.50xd	122.48	+0.12	3.33
International Growth	6		130.45	139.52	+1.45	0.00

Royal Life Fd Mgmt Ltd (1000)F
PO Box 34, Peterborough PE2 0UE. Prices:01733 282828
General Enq: 01733 390000 Dealing: 01733 393000

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
United States	6		112.5	118.8	+1.80	0.26
Pacific Basin	5		84.60	89.86	+0.28	0.25
Equity Grwth Acc.	5		370.9	398.3	-1.70	1.61
High Inc Accum	5		265.0	284.2	-1.70	3.96
High Inc Dist	5		153.3	163.9	-1.00	4.10
Ryl Life Int Curry	5¼		62.69xd	65.34	+0.21	4.04
Ryl Life Intl Gwth	5¼		78.72	83.97	+0.91	0.12
Ryl Life Intl Spec	5¼		72.76	77.40	+0.82	0.00
UK Emerging Cos	5¼		146.3	158.1	+1.80	0.97
UK Index Tracking ♦	5¼		188.7	201.1	..	1.55
European	0		158.0	168.4	+2.10	0.28
Managed	6¼		175.1xd	188.2	+1.40	0.03

Royal London Unit Tst Mgrs Ltd (2200)F
Royal Lon Hse, Colchester CO1 1RA 01206 764400

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
American Growth	5¼		192.8xd	205.0	-3.40	1.57
European Growth	5¼		130.9xd	139.8	-1.20	2.38
Far East Growth	5¼		159.7xd	169.5	-1.40	1.79
Japan Growth	5¼		139.3	143.7	+0.10	0.66
Special Sits	5¼		235.2	250.2	+6.80	1.10
UK Growth	5¼		90.90	98.62	+0.30	1.87
Triton General	5¼		285.8	304.1	-1.90	0.87

St James's Place UT Group Ltd (1200)F
PO Box 14963, Craigforth, Stirling FK9 4ZE 01786 830027

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
Corporate Bond Inc	3¼		98.10	100.1	-0.8	7.00
Corporate Bond Acc.	3¼		97.54	101.6	+0.3	7.93
Far East Inc	5		182.1	192.7	+0.5	0.39

Sharp (Albert E.) (1000)F
Admin: 5 Rayleigh Rd Hutton, Brentwood Essex
Enquiries 01277 227300 Dealing: 01277 261010

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
AES European	5		152.60xd	160.60	-1.80	0.73
AES Far Eastern	5		108.00	113.70	-0.60	—
AES Nth American	6		140.00xd	147.40	-2.90	0.02
AES Intl Bond & Conv	5		128.20	134.90	+0.20	6.07
AES Pooled Pension ♦	7		225.60	242.80	+1.50	1.95
AES Smaller Cos	6		193.40	190.80	+0.30	0.83
AES UK General	5		156.20	163.40	+0.60	2.52

Singer & Friedlander UT Mgmt Ltd (1000)F
PO Box 830, 166 Bishopsgate, EC2M 3YP 0171-626 7541

	Init Charge	Gross	Selling Price	Buying Price	+ or -	Yield Gr's
European Trust	6		81.93xd	88.83	-0.88	1.07
Far Eastern Tst.	6		73.93xd	78.04	+0.22	0.25
Global Growth PEP	5		73.22	77.89	+0.08	1.26
Investment Trust PEP	5		54.72	58.21	+0.18	0.00
Managed Exempt	6		1279.02	1304.00	—	2.00
Preferred Income	4½	C	103.0xd	108.8	-0.2	5.50
Smaller Cos	5		241.0xd	256.3	-0.8	1.15

Smith & Williamson Unit Tst Mgrs (1700)F

Whittingdale Unit Tst Mgmt Ltd (0830)F
72 Leadenhall Market, London EC3V 1LR 0171-623 2444

	Init Charge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
Challenger	2¼		101.0	104.9	+0.10	2.20
Short Gilt Gilt	1¼		121.7	123.3	—	0.00
U.S. Govmnt Bond	1¼		50.7747	0.7848	+0.0000	0.00
Sterling Bond	3¼		48.80xd	50.69	-0.08	7.10
Gilt Income	4		51.00	54.01	-0.07	6.70
Gilt Growth	4		75.62	78.70	-0.25	0.00

Woolwich Unit Trust Managers Ltd (1700)H
1 White Oak Square, Swanley BR8 7AG 0181-298 4000

	Init Charge	Notes	Selling Price	Buying Price	+ or -	Yield Gr's
UK Stockmarket Fd	5		95.04	101.18	+0.40	2.37
International Mgd	5		55.29	56.71	+0.52	1.42
Corporate Bond	3		47.80	40.32	-0.03	6.68

OTHER UK UNIT TRUSTS

INSURANCES

AIG Life
22 Addiscombe Road, Croydon CR9 5AZ 0181-680 7172

	Selling Price	Buying Price	+ or -	Yield Gross
Distribution	92.4	97.4	-.4	5.10

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 01494 463463

	Selling Price	Buying Price	+ or -	Yield Gross
UK Equities Ser 8	1140.5	1200.5	-7.4	-
Higher Income Ser 8	1192.5	1255.2	-7.8	-
Property Ser 8	578.3	608.7	—	-
Fixed Interest Ser 8	477.1	502.2	—	-
Index Lnkd Secs Ser 8	191.4	201.4	+0.5	-
Gtd Deposit Ser 8	312.3	328.7	—	-
Nth America Ser 8	597.9	622.0	-12.9	-
Far East Ser 8	620.5	653.1	+4.7	-
Europe Ser 8	449.0	472.6	+8.0	-
International Ser 8	673.2	725.4	+0.8	-
Balanced Ser 8	814.8	857.6	+7.7	-
Reserve Ser 6	171.3	180.3	—	-
Opportunity Ser 8	186.4	196.2	+1.3	-
Distribution Ser 8	102.1	107.4	+0.1	7.05
Pens Equity Ser 3 (2)	1016.4	1731.4	+10.9	-
Pens Higher Inc S 3 (2)	382.1	402.2	-2.4	-
Pens Fixed Inc S 3 (2)	619.4	631.9	-3.3	-
Pens Index-Linked Sec S 3 (2)	249.2	262.3	-1.3	-
Pens Property S 3 (2)	581.5	597.8	—	-
Pens N America S 3 (2)	258.8	272.2	-3.2	-
Pens Far East S 3 (2)	342.7	360.7	+0.5	-
Pens Europe S 3 (2)	240.8	252.8	+3.2	-
Pens Overseas S 3 (2)	958.7	1008.5	-5.7	-
Pens Balanced S 3 (2)	942.0	991.5	+5.2	-
Pens Cash S 3 (2)	467.2	491.8	—	-
Pens DAF Series 3(2)	257.5	271.2	—	-
Pens DAF Series 10(2)	515.3	545.5	—	-
Pens Opportunity S 3 (2)	206.0	218.8	-1.0	-
Pens Reserve S 3 (2)	198.4	208.8	+0.5	-
Pens Dist S 5	108.8	174.5	+0.4	-

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 01202 292373

	Selling Price	Buying Price	+ or -	Yield Gross
Prop. Sec. 1	249.2	262.4	—	0
Equity Sec. 1	203.1	213.8	+0.3	0
Prop. Acc. Ser 5	436.5	518.4	—	0
Equity Ser 2	278.5	293.2	-7.3	0
Selective Acc. Ser 2	533.3	561.4	-7.9	0
Prop. Ser. 4	374.3	394.1	—	0
Equity Sec. 4	256.7	270.3	-0.91	0

Britannia
90 Bothwell Street, Glasgow G2 6HR 0141-248 2000
For other Fund prices ring 0345 587764

	Selling Price	Buying Price	+ or -	Yield Gross
Pensions post 88 plans				
Managed	283.6	298.6	+1.2	-
International	205.5	216.4	-3.5	-
Building Society	273.7	283.2	—	-
Fixed Interest	281.8	298.7	-0.2	-
Equity	479.6	504.9	+1.7	-
American	227.1	239.7	+4.9	-
European	398.9	419.0	+2.8	-
Far Eastern	138.8	145.4	+7.6	-
Managed Retirement	114.4	120.5	+0.2	-
With Profit (UnCon)	127.8	134.6	—	-
Life Funds				
Managed Fund	397.8	415.9	-2.5	-
UK Equity	653.8	688.4	-1.5	-
Property	266.7	280.8	+0.1	-
Money Market	263.7	277.6	—	-
Fixed Interest	315.0	331.8	-0.9	-
Japan	363.3	382.6	+0.1	-
North America	195.3	205.8	+3.6	-
International	379.7	395.5	-3.3	-
With Profits 8.5%	120.5	126.0	—	-
European	327.7	338.0	-1.3	-
Far East	161.9	170.5	-1.1	-

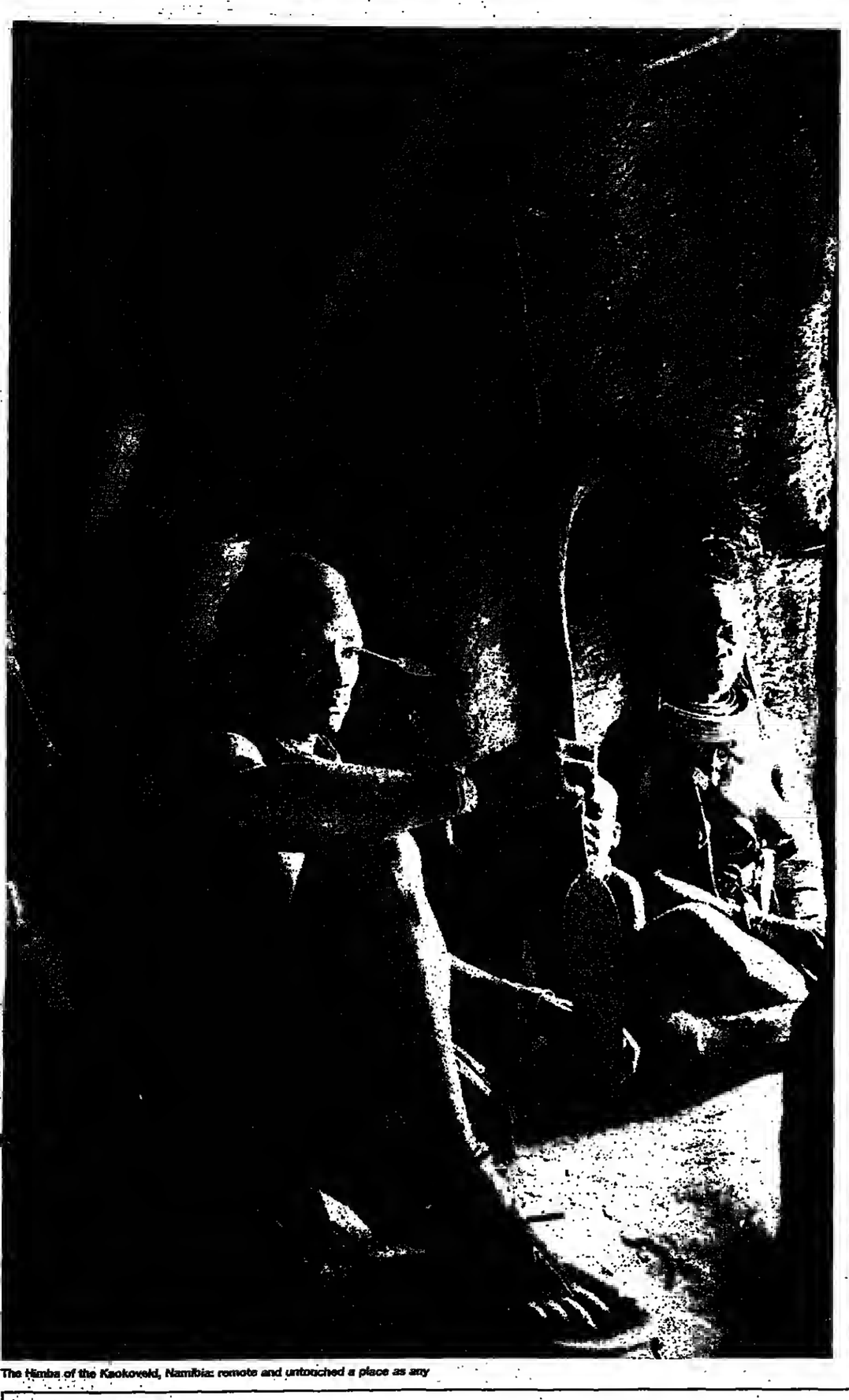
Canada Life Group
High St. Potters Bar, Herts. EN6 5BA 01707 651122
Canada Life Assurance of Great Britain
Individual Pension—Distribution

	Selling Price	Buying Price	+ or -	Yield Gross
Managed Pen Fund	599.2	630.8	—	-
Property Pen Fund	197.8	208.3	—	-
Index-linked Pen Fd	196.5	208.9	—	-
Series C Pension—Distribution (Units)				
International Pen Fd	390.9	411.5	—	-
Managed Pen Fd	433.8	456.5	—	-
Property Pen Fd	317.8	334.3	—	-
Index-Linked Pen Fd	255.5	269.0	—	-
Gilt & Fxd Int Pen Fd	356.2	375.0	—	-
Equity Pen Fd	505.8	531.5	—	-
High Sec Cash Pens Fd	189.7	199.7	—	-
Series E Pension (Accum Units)				
International Pens Fd	207.9	218.8	—	-
Managed Pens Fd	216.2	227.8	—	-
Property Pens Fd	194.2	204.5	—	-
Index-Linked Pens Fd	175.0	184.9	—	-
Gilt & F I Pens Fd	199.0	209.5	—	-
Equity Pens Fd	221.3	233.0	—	-
High Sec Cash Pens Fd	182.2	191.8	—	-
Managed Funds				
Managed	376.1	395.9	+1.0	-
Property	249.0	262.2	—	-
Gilt & Fxd Interest	257.8	271.4	-0.7	-

PROPERTY UNIT TRUSTS

مكتبة الأصل

Weekend FT



The Himba of the Kaokoveld, Namibia: remote and untouched a place as any

A return to the old ways

Nicholas Woodsworth sees how a community project is helping a tribe in Namibia

Sitting one afternoon in a camp by the dried-up bed of the Hoarusib River, 100 miles south of the Angolan border, I found myself watching a tall dust-plume streaking across the Namibian plains.

The man who emerged from the heavily loaded Land Rover was a young, blond-haired Australian in safari hat and wrap-around sunglasses.

His name was David Adams and he owned a small film company. He was making *To the Ends of the Earth*, a television "info-tainment" travel series. The Kaokoveld, he said, was as remote and untouched a place as any, and its photogenic Himba people an exotic choice for a public avid for such curiosities.

Adams' interest in the Himba intrigued me, for I had come to the Kaokoveld to see how a last remaining corner of traditional Africa was coping with the outside world.

Post-independence development aid has done little to reverse the continuing disintegration of rural societies – poverty, disease, hunger, drought, tribal conflict and mismanagement continue to take their toll. What interested me in northern Namibia was one of a new generation of projects that aims to give rural Africans the economic power to change their lives.

How would the Himba deal with a voyeuristic western video expedition into the bush?

The Himba, as I discovered in a remote, rocky valley the next day, are indeed an extraordinary looking people. Rejecting the accoutrements of western civilisation, they have preferred up until now to clothe and decorate themselves with animal skin and bone, shell and beaten copper. Smearing their mostly naked bodies with a mixture of butterfat and ochre, they seem not merely to live close to the desert earth, but to have been extruded from it. They glow in the light of the desert sun.

As simple and vulnerable as they seemed to be, the Himba took Adams to the cleaners. Surrounded by bee-hive-shaped mud huts, bare-breasted girls and milling goat herds, he found himself confronted with hard-headed and astute businessmen.

How much, Adams was constrained to ask through long and complex negotiations with village elders, would it cost him to film? The hours passed, the flies buzzed, the negotiations continued interminably. Dozens of ploys were used to extract the maximum of booty for the minimum of concessions. Adams' pile of trade goods – tobacco, sugar and the like – shrank ever smaller. Morning turned into noon. When I finally abandoned him, Adams was more deeply mired in discussions than ever. In this particular face-off the Himba had won the day.

But what about the coming days and the tourist influx that follows film-makers and travel writers? Livingstone, Burton and Speke had also been thoroughly deplumed by the locals. What they and others left behind, however, was more than just trade goods. Commerce, Christianity and Civilisation rapidly took hold, and Africa began its transformation into the ravaged continent we recognise today.

Have we learned nothing since? Is a predatory and destructive tourism just as inevitably fated to ravage those parts of Africa that still remain wild and alluring? Not necessarily. It may just be that we are finally beginning to learn something.

Not long afterwards I found myself driving through the gates of *Werldsend*, an Afrikaans name that means the end of the earth. And that is what it was – a tiny human outpost lost on a vast plain and ringed around by a distant prospect of volcanic hills.

The place has nothing to do, however, with adventure info-tainment. It is the field headquarters of northern Namibia's Integrated Rural Development and Nature Conservation project. It is an awkward sounding mouthful for a body that promotes a simple and radical design for putting rural Africa back together again.

Garth Owen-Smith and Margaret Jacobsohn are the driving forces at *Werldsend*. He is a conservationist with a lifetime's experience of African wildlife management, she an anthropologist who has worked extensively with the Himba, Herero and Damara peoples of the Kaokoveld. It is precisely people and wildlife, and the combining of the two in a way profitable to both, that is at the heart of the Kaokoveld project.

Owen-Smith and Jacobsohn are African iconoclasts; their views are indictments of the entire process of conventional third world development. For them, the resounding failure of foreign aid is in large part due to the exclusion of its most important component, local communities.

Industry, mining, commercial agriculture, ranching – most such development projects are inspired by western models and take little account of African traditions or social structure. They remove natural resources from local control and place planning and management in the hands of centralised bureaucracies. Above all, they largely funnel the financial profits from resource exploitation away from local communities, thus leaving them with little power to decide their own future.

In what is a return to square one, Owen-Smith and Jacobsohn make a coovincing case for a return of the control of local resources to local people.

The greatest wealth of the Kaokoveld, Garth Owen-Smith said, lies in its wildlife and spectacular landscapes – given the right circumstances, he

Continued on Page II

CONTENTS

Fashion: Renaissance on Regent Street V

Travel: Eastern Europe: Special on rediscovering the glorious past of changing countries VIII-X

Perspectives: The insurance high-flyers who fell to earth III

Food: Nicholas Lander finds sushi at a price you can afford XI

Sport: Headhunters pick the football brains VI

Property: Rural dream of a country cottage carries a premium VII

Private View: Deborah Bull, the ballerina who thinks on her feet XVIII

Arts ..... XV, XVI
Arts Guide XVII
Books ..... XIII-XIV
Bridge, Chess, Crossword XVIII
Fashion V
Food & Drink XI
Gardening VI
How To Spend It IV
Motoring VI
Perspectives ..... II, III
Property VII
Small Businesses II
Sport VI
Travel ..... VIII-X
Weekend Investor ..... XIX, XX

Joe Rogaly

When justice works best

In some cases the courts are more effective than the Commons

Do judges make law? "'Course they do," said a certain Jeremiah Smith, once a judge of New Hampshire's highest court. "Made some myself."

My dog-eared textbook on the US constitution tells me this, and reminds me of the judiciary's sensitivity to politics. Franklin Delano Roosevelt tried to pack the Supreme court, which in 1936 declared his New Deal legislation unconstitutional. The president won that year's election handsomely. Between March and June 1937 the previously conservative "nine old men" sat in the same nine chairs that had supported their behinds in 1936 and nodded through a minimum wage, social security and the rest of FDR's interventionist package.

Under later presidents the US high court voted for desegregation, the end of capital punishment, and abortion. Its reputation for 1960s permissiveness has since been supplanted by a return to conservatism, thanks to Richard Nixon, Ronald Reagan and George Bush. Executions have been reinstated.

Ah, you may say, if you are not in America. They do things differently over there. They have a written constitution. Britain does not. True, but British judges also legislate. 'Course they do. They nurture and feed on the common law. They have begun to construct a huge edifice of administrative lore.

Over the past few years they have built up a custom and practice of judicial review that is transforming the bench into a useful check on arbitrary actions of the executive. The courts are becoming a more effective forum for calling ministers to account than the House of Commons.

We subjects of the Queen ought to be grateful to courts. They place some restraint on demagogues like Michael Howard. The home secretary is a misfortune imposed on Britain by a malign fate. His principal redeeming feature is that he cannot be with us forever.

Yet his initial reaction to this week's ruling against the government by the European Court of Human Rights fell short of the populism that might have been expected of him. "We will carefully consider the implications," he said blandly.

This may be because the ruling itself is of greater symbolic than practical significance. It outlaws the detention of juvenile offenders "at Her Majesty's pleasure" once they have done their court-ordained time. Pleasure? That curious phrase, introduced nearly two centuries ago to keep criminal lunatics locked up, needs translation. It means that Mr Howard, his eye on the opinion polls, could until this week decide how long to incarcerate a young criminal after his or her sentence has been served.

The home secretary's ability to increase the initial term is not altered. He nearly doubled the British judiciary's original sentence on the children who murdered the toddler James Bulger. This week's ruling does not address itself to that. It merely stipulates that after Robert Thomson and John Venables have served their 15 years the date for their release must be set by a court, not a politician. Mr Howard is ingenious enough to find a means – a change of practice or a new law – of getting round such a technicality if he must.

'You were probably brought up to believe that justice must be blind'

This may not be enough to satisfy the jingoistic Tories who are calling for withdrawal from the European convention that Strasbourg's court interprets. One such tried this line on John Major on Thursday. The prime minister replied that he knew many behind him were irritated by the recent series of human rights decisions. The convention was flawed, and the government sought to have this remedied.

There is an obvious remedy. The convention should be incorporated into British law. Labour and the Liberal Democrats propose this. Some Conservatives, notably Sir Ivan Lawrence, chairman of the home affairs select committee, agree. The consequence would be that British judges would decide matters such as whether or not this or that British practice is a breach of human rights. When a minister lost a case, he or she could not blame foreigners.

Two objections may be made to incorporation. One is that it would add a codified element to an unwritten constitution. This, the argument runs, would lead to all kinds of legal havoc. Possibly, but not, surely, as much as is present now, with the European Court sitting in Strasbourg and the cases originating in the British isles.

The second objection is less easily dismissed. It is that judges do not take the voice of the people into account. Former Master of the Rolls Lord Donaldson accused Mr Howard of "playing to the gallery" when he increased the minimum sentences for James Bulger's killers. The home secretary had a "perfect right" to imprison people at Her Majesty's pleasure. "The dispute was the way he fixed the penalty because he appeared to be influenced by public opinion."

Someone has to be. You were probably brought up to believe, as I certainly was, that justice must be blind. Judges must be free from the pressures of the mob. The alternative, we were taught, is lynch law. Yes yes, but what of Myra Hindley? This infamous murderer of children may have served her time, but the public would not take kindly to her release. It would break the unstated compact between politicians and the electorate.

This runs as follows: if the natural instinct for revenge is not to be satisfied by capital punishment politicians will keep the perpetators of the foulest deeds locked up for the whole of their lives. Mr Howard is clearly comfortable with that. Those of us who are not comfortable with Mr Howard must look to Britain's judges to take popular feelings into account when considering the release of notorious, high-profile killers.

In a democracy, justice works best when the blindfold is not too tight. Comprehending this, Britain's courts may safely be enabled to relieve Strasbourg of its case-load.

PERSPECTIVES

The Nature of Things / **Clive Cookson**

The healing power of deceit

The use of mind over matter may soon be high on the medical agenda

Medicines have an extra healing power that has nothing to do with their chemical ingredients. Sometimes this "placebo effect" makes a marginal difference to the patient, sometimes it accounts for most or all of a drug's benefit.

The power of the placebo – giving dummy treatments a positive effect if patients believe they will work – is beginning to receive systematic study, as scientists become more aware of the extensive influence of mind over body.

Until recently, some doctors were under the impression that only children and people with unusually suggestible minds were susceptible to placebos. Now it is clear that everyone is susceptible.

The placebo effect – named from the Latin "I will please" – can be very powerful. Patients with terminal cancer occasionally recover if they are given an experimental "wonder drug", because new optimism about the treatment re-activates their immune system to attack the tumour.

And the placebo's malign counterpart, the nocebo ("I will harm"), can act just as strongly in the opposite direction, making people worse if they think they are receiving harmful treatment. There are well documented cases in which voodoo witchdoctors have killed healthy people, by convincing them that they are doomed to die. Western doctors need to be aware of this effect, so that they do not inadvertently damage a patient's prospects of recovery by taking an unduly negative attitude.

The placebo effect can distort the pharmaceutical development process by exaggerating the benefit of new drugs. So clinical trials are, wherever possible, "placebo-controlled, double-blind". Participants are divided at random into two groups; one takes the experimental drug and the other an inactive dummy (or an established medicine, if one exists). It is essential that both formulations should appear identical, so that neither the patients nor their doctors know who is taking which, until the code is broken at the end of the trial.

Although the effect is variable and unpredictable, a rough estimate is that in a typical clinical trial a placebo will produce a 30 per cent improvement in symptoms compared with giving no medication. That is similar to the effect expected of the drugs themselves in some fields, such as cancer treatment.

Often, however, the nature of a new treatment makes it impossible to disguise in a placebo-controlled trial. While a drug capsule or pill can usually be matched with an identical placebo, there is no ethical way of doing this with a surgical procedure, for example.

Even when a placebo-controlled trial is designed, its purpose may be undermined in various ways. Well-informed patients, notably those with Aids, have been known to work out from the side-effects which drug they are taking.

More shockingly, scientists themselves often subvert the system, according to a study by Kenneth Schulz of the US Centres for Disease Control, described recently in New Scientist. By analysing 250 double-blinded trials and interviewing 400 researchers, with anonymity guaranteed, he discovered many cases in which they had deliberately found out in advance how patients were to be allocated between the placebo and experimental groups.

Schulz found that researchers were ready to exploit poor security, for example by opening unsealed envelopes or cracking an elementary code. Occasionally they went to greater lengths, such as rifling through desk drawers or reading through sealed envelopes with radiology equipment.

The researchers' motivation for this sort of cheating may just be to follow the trial as it happens, or they may try to intervene in the allocation of patients because they "know" what treatments work best and want to give them a helping hand. Their intervention certainly had an effect: experimental treatments were reported to be 30 per cent more effective on average when codes were poorly concealed than when they were kept strictly confidential.

If the placebo effect is so strong, how can it be used more systematically to help patients? The problem is that official medical ethics do not allow doctors deliberately to mislead patients by prescribing inactive drugs (except in a clinical trial), although there is anecdotal evidence to suggest that this often happens unofficially.

Nicholas Voudouris, a psychologist at La Trobe University in Australia, may have found an answer. Voudouris has discovered from work with student volunteers that a placebo may continue to work, *even if patients know the drug is a dummy*, if they are first conditioned to associate it with a beneficial effect.

Voudouris is planning a clinical trial with patients suffering from long-term pain. After they have been treated with a painkiller for several weeks, the researchers will begin to substitute placebo for some, but not all, the doses of painkiller. The purpose is to see whether the placebo will work well enough for doctors to reduce the amount of drugs given, while achieving the same level of pain relief. Success would put the power of suggestion firmly on the medical agenda.

Minding Your Own Business

Boatbuilder set to come about on turning tide

After a five-year battle, Kevin Halcrow is optimistic about realising his dream, writes **Clive Fewins**

Kevin Halcrow's five-year battle to run a boatbuilding business started in 1990 when he left his £24,000-a-year job with National Power after 10 years working as an engineer in the coal, ash and dust department at Drax coal-fired power station in Yorkshire.

He paid to go on a year's boatbuilding course in Lowestoft before launching a one-man boat repair service in Hull. Two years later, after just about breaking even, he and his wife, Karen, left for the Lake District to do what Halcrow had always wanted to do – build bespoke, wooden sailing boats.

Five years later, the battle is not yet won. In Halcrow's workshop – a large converted chicken shed just outside Kendal – there is a 17ft, clinker-built, Oyster class sailing boat.

With help from Karen, Halcrow, 38, made it largely from one mahogany log he bought for £1,000 in 1993. Inside, it is ribbed with pale oak timbers and studded with rows of copper nails – a 1950 design but with a classic "old-fashioned" look. "It is the sort of boat people like to stroke," Halcrow says.

He finished the vessel in June 1994. It is still not sold despite having been exhibited at four boat shows and winning an award from Classic Boat magazine.

However, Halcrow has just sold the 11ft 6in Ptarmigan, clinker-built, three-man sailing boat he built from marine ply last spring. He gained the asking price of £4,290. He has just dropped the price of the Oyster from £10,650 to £9,000.

After a long period of uncertainty, Halcrow is now optimistic. "The figures for Lakeland Wooden Boats at the end of its first 18-month accounting period will show a turnover of about £19,500 and the company should make about £1,000 profit," he said. "If I had sold the Oyster, the figure would have been about £26,000 and I would have made a profit of about £7,000."

The sale of Ptarmigan 11 months after he completed it has convinced Halcrow he can make a success of his enterprise. A year ago, he was more hopeful of making a sale, but not convinced that he would even manage to break even in his first 18 months. The main reason for the change in his fortunes has been an £11,500 repair contract – and his willingness to compromise.

"When we moved to Cumbria to December 1993, I was determined not to undertake repair work. I am an engineer by training and I have always wanted to use my design skills to build my own wooden boats from scratch in a traditional style," he said.

"However, when at the Southampton Boat Show in September 1995 I failed again to sell a boat and was offered a £8,200 repair contract that later grew to £11,600, I knew I had to take it.

"It is an interesting job and I am working six days a week on it to complete the work to deadline by the end of March. While I am working repairing the boat – it is a 1935 motor cruiser, designed, built and sailed on the Norfolk Broads – I often muse on my failure to sell the Oyster and the fact that it took nearly a year to sell Ptarmigan.

> 'People are full of praise for my boats, so I know there is nothing wrong with my products'

"I used to attribute this to lack of selling skills on my part as I am reserved and rather reticent. However, after the sale of Ptarmigan, I have revised that view and put it down to bad luck."

Although as a salesman I have a lot to learn, I have come close to selling the Oyster several times. I am learning all about selling from a friend to the furniture trade, and am considering going on a course in selling techniques.

"People knowledgeable in the field are full of praise for my boats, as is the boating press, so I know there is nothing wrong with my products.

"I am sure more luck will come my way, and I believe I am doing the sensible thing in the repair job. We have to eat – and, besides, this policy reduces the pressure on Karen who not only helps me but also works full-time for an insurance company to Kendal to bring in £22,000 a year, without which I would not have been able to get this far."

At the beginning of this year, Halcrow gained further cause for optimism in the form of a business arrangement with a Lancashire-based company, Character Boats of Morecambe.

"Character Boats was started 18 years ago by a splendid man called Bill Bailiff, who had a very loyal following for the eight styles of glass fibre-hulled boats he produced," Halcrow said.

"The plan was for me to build wooden versions of Bill's designs to order, using templates taken from his boats. Bill very much wanted this to happen because he had always wanted to see his designs at the Greenwich Wooden Boat Show. Sadly, he died suddenly last November, aged 56.

"However, the arrangement is to go ahead. I already have a potential order for a wooden version of Bill's 12ft 6in Lune Pilot model and am drawing up a licensing agreement with his widow, who has offered to sell me the business for £15,000."

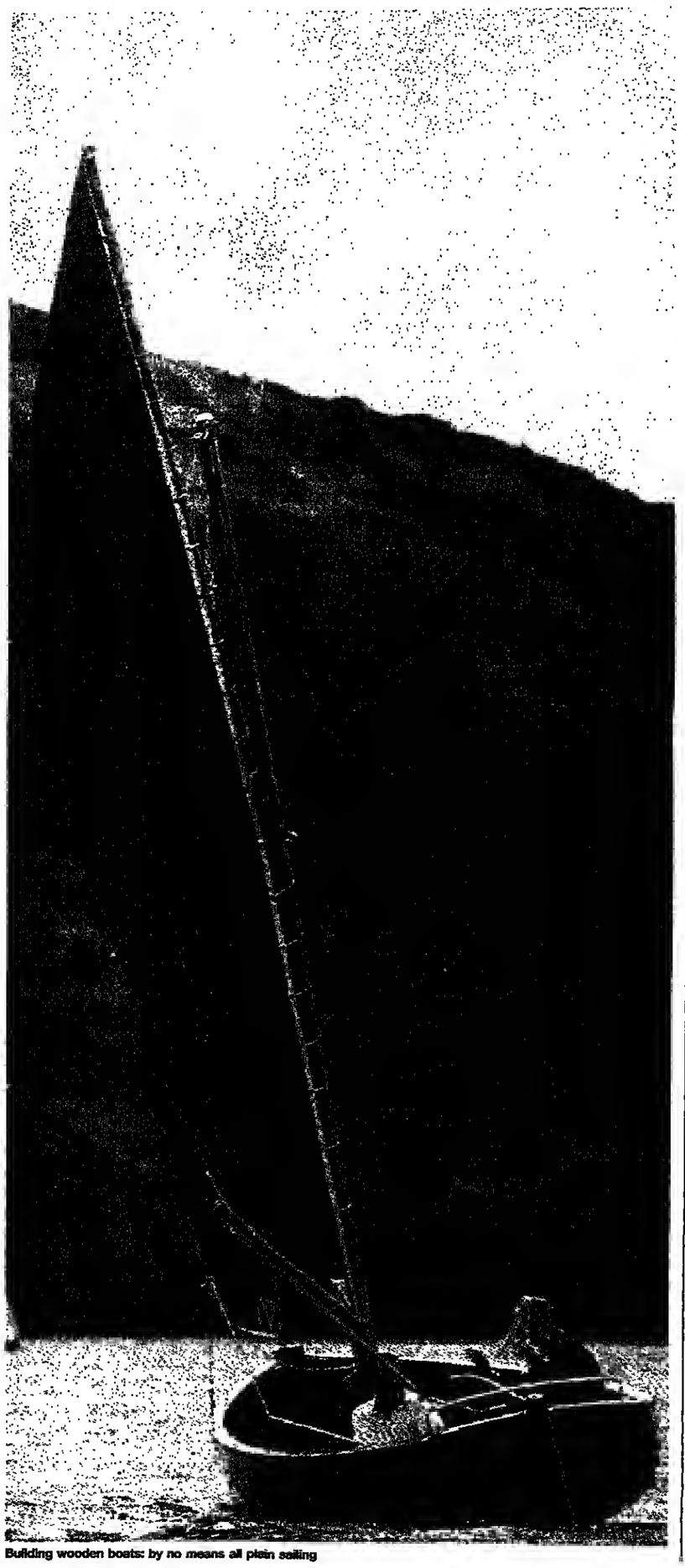
Halcrow now has to find this money as he has exhausted his own capital on the start-up of Lakeland Wooden Boats and the £3,000 he had to find for fitting out some of the products of Character Boats in timber. He will need to sell the Oyster or go to the bank, or both, to find the money to purchase Character Boats.

"One way or another, I shall find the money," Halcrow said. "I am trying to gather together Bill Bailif's business plan to present to the bank. With spring approaching, I feel I can't be far off making that vital sale of the Oyster.

"In spite of the difficulties, Karen and I both feel coming to the Lakes was a good move. In the process, we freed nearly £30,000 on our house sale and purchase, and this helped ease the financial pressures to the early phase of Lakeland Wooden Boats.

"All the same, it is time the company started making real profits. We shall get there in the end."

■ *Lakeland Wooden Boats, 2 Ghyll Brow, Brigsteer Road, Kendal, Cumbria LA9 5DZ. Tel: 01539-723921.*



Building wooden boats: by no means all plain sailing

Truth of the Matter / **Philip Crowe**

Scott and the right to lie

You are standing on a street corner. A man comes racing towards you, rushes into a shop and hides. Seconds later, another man, brandishing a meat cleaver, comes charging along and shouts: "Which way did he go?" Instinct, buttressed by commonsense, demands that the answer you give is, in an over-worked phrase, economical with the *actualité*.

If, on the other hand, Immanuel Kant, the German philosopher, had been standing on that same street corner, he would have replied "he's hiding in the shop".

Kant, after all, was the author of this notorious conundrum. He had impeccable and incontrovertible reasons for arguing that truth must always be told whatever the circumstances. Hence his unambiguous reply. His unanswerable philosophy just happens to conflict with commonsense.

A politician asked the question "which way did he go?", would find it natural and easy to produce an answer that was wholly true, totally convincing and entirely misleading.

When the man wielding the meat cleaver happens to be called Sir Richard Scott, then the political talent for self-preservation by obfuscation operates at full strength.

An English politician, confronted by an English judge, is assumed to be an honourable, well-intentioned person who would not deliberately lie; or, if he did, it would be for an entirely honourable reason.

He could not possibly be called "duplicitous". But within that very English framework, Sir Richard Scott's report on the arms to Iraq affair is deadly.

It is nothing so crude as a carve-up with a cleaver. It is more a work of art, an oil painting on a huge canvas, built layer on layer, complex, immensely detailed. The more it is studied, the more revealing it proves.

The central question is one of truth. Sir Richard has come to a clear view about where truth lies; but his judgment about the people involved is made, not on the basis of truth, but on the question of motive.

They are honourable men, well-intentioned, not duplicitous, constitutionally but not personally at fault. The government can claim, on the basis of intention, that the report acquits. The opposition argues, on the basis of truth, that the report convicts.

It is, of course, entirely possible for someone to do the *wrong thing* for the right reasons. The classic example is what is known as "the just war". A country goes to war, reluctantly, as a last resort, because there is no other way to resist great evil. War is always wrong, in all circumstances; but to go to war for good reasons is justified. Lying is always wrong, in all situations; but not telling the truth or telling only part of the truth, so that what is actually told is thoroughly misleading, may be justified in particular circumstances.

It is equally possible to do the right thing for the wrong reason. A person cares for an elderly relative because he hopes that the reward will be a large legacy. Without at least some selfless love, it profits him nothing. He is, in Saint Paul's words, a noisy gong or a clanging cymbal, even though his action is good.

But the Scott report does not say that the ministers concerned did the wrong thing for the right reason, nor the right thing for the wrong reason.

It says they did the wrong thing for the wrong reasons.

> Monday's debate will tell us a great deal about the morality of parliament

Sir Richard concludes that Sir Nicholas Lyell, the attorney-general, failed to ensure that Michael Heseltine's reservations (Heseltine is deputy prime minister) were passed on to the trial judge, through what appears to have been sheer incompetence.

William Waldegrave, chief secretary to the Treasury, signed letters telling members of parliament there had been no change in the guidelines, when he was in a position to know that they had changed when he was partly responsible for the change, when he had convinced himself that they had not changed because no public announcement had been made, and when he had decided that no public announcement should be made because public opinion might have reacted unfavourably against any change.

To do the wrong thing for the wrong reason remains wrong however honourable and well-intentioned the ministers may have been. Whether parliament will agree with this view, and how seriously they will regard it if they do agree, remains to be seen.

Monday's debate will be interesting and revealing. It will tell us nothing about the behaviour of the two ministers. It will tell us a great deal about the morality of parliament.

A return to the old ways for the Himba people

Continued from Page I

argues, tourism, the fastest growing industry in the world, could be of tremendous benefit to the area.

But for that to happen there must be wildlife in the first place. When Owen-Smith arrived in the Kaokoveld in 1982, once abundant game populations had been decimated by illegal poaching. In an area of some 70,000 sq km of wilderness just 60 rhinoceros and 250 elephant were left among remnant populations of smaller animals. While much of the poaching had been done by outsiders, many locals, too, found enrichment in the trade.

The basis of Owen-Smith's development project was to put wildlife management – and the profits from it – into local hands. Legally denied any right to a resource that had once been an intimate part of their lives, local poachers had achieved popular status as African Robin Hoods. But if communities were once again given a stake in a valuable commodity, Owen-Smith was convinced, they would act to protect their investment.

And so it proved: with World Wildlife Fund for Nature financing, a community game-guard network was established. Today an integral part of the larger Kaokoveld programme, it supports almost 100 village game-guards in anti-poaching patrols and surveillance.

While in many national parks in Africa shoot-to-kill policies and huge investments in quasi-military operations have failed to stop the slaughter, poaching in Kaokoland – tribal land unprotected by fences or park status – was reduced to negligible levels within two years. In the last decade rhino and elephant numbers have more than doubled.

In return, as game stocks rebuild and tourism begins making rapid inroads, the 50,000 people of the Kaokoveld have gained the legal right, through recent legislation, to exploit their resources for their own benefit. In part this means financial initiatives like community-owned campsites, bed-night levies on visitors, and joint ventures with tour operators and safari lodges.

It also means the right to kill animals for meat and skins – as time goes on controlled "game harvests" become more frequent and varied – community hunters now deliver fresh giraffe, springbok, oryx, zebra and ostrich meat to villages and schools.

To many nature lovers and environmental funding groups the commercial killing of such animals is horrifying. Owen-Smith thinks they have got it wrong. "From a conservationist's point of view, urban westerners, who buy their food in hermetically sealed packages, live in sheltered and artificial environments. Yet they sermonise to us out here about saving cuddly, big-eyed creatures. It is not romantic and sentimental attitudes towards animals that is going to save them – it is a realism that puts a value on animals."

Nor is sentimentalism going to save the Himba themselves.

"This is probably the last generation of Himba that will wear skins and ochre," Jacobsohn said. "But that is not the essence of being Himba. If they are going to survive as a people, they are going to need to keep one foot firmly in the world of rural African tradition they know, and the other in the modern world that they have to cope with."

A few days later I was sitting by a fire in the tiny settlement of Purros with a small villager called Soti Kasaona. A village game-guard for the last nine years, he is well-qualified for the job, being a former poacher.

How many rhinos did he kill for their horns, I asked. Three, he replied. And elephants? More, he admitted – 16. And how much was he paid for the tusks? £13 a pair, he said ruefully – he did not know their value at the time.

He does now. "We came close to killing everything off. When I walk in the bush today I feel happy when I see something moving – it means we still have the old ways with us."

For now, at least, the old ways seem to be holding their own in the Kaokoveld. Over the next few days, as I made my way over mountain and savannah, I saw game everywhere – unique desert-adapted elephant in dry riverbeds, cheetah in the tall grass, long-horned oryx standing sentinel high on hill ridges. Community-based resource management works; contrary to all the evidence of the recent past, men and animals can have a profitable co-existence.

Will such a system, now also finding favour in wildlife areas in Zimbabwe, Botswana and Zambia, continue to spread and find new applications?

It is by no means an all-Africa panacea, but over much of the continent, in poor rural regions suffering some of Africa's worst and most insoluble ills, communal resource-control holds out real prospects.

Wildlife, tourism, forestry, water control, stock management and desertification are just some areas where such an approach offers an alternative to rural collapse and migration.

Many African politicians find little prestige in grass-roots projects that build on "backward" African traditions. They are also loathe to surrender centralised economic control and political power.

The western world, too, has its objections. Aid agencies want rapid, quantifiable results. Animal lovers want bloodless conservation programmes. And to foreign governments and private investors, community management and decision-making rankles of failed socialist experiments of the past.

But from my Kaokoveld point of view, a dust plume moving across the plains at the end of the earth, it looked a hopeful road to follow.

■ *Nicholas Woodsworth's trip to Namibia was arranged by Sunvil Discovery. Tel: 0181-568 4499. Fax: 0181-568 8330.*

Main picture from Namibia: Africa's Harsh Paradise by Peter Johnson and Anthony Bannister, published by New Holland, £29.99.

Chess No 1116: 1 Be4 Qxf7 2 Rg3, or dxe4 2 Qc4, or Qxg6 2 Qc7. Not 1 Bb1? Qh7!

PERSPECTIVES

Richard Kidd in his Norwich restaurant: at one time he earned £300,000 a year running an insurance agency

Bryn Colton/Assignments

Big spenders who found that insurance was not for life

Peter Marsh looks at the costly legal battles being fought between big companies and their former workers

The worst moment for Rob Fitch was just before Christmas 1994 when he sold his golf clubs – which in the good days cost him £585 – for £75 to buy presents for his wife and children.

Fitch is a former insurance salesman who earned £200,000 a year in the late 1980s and is now making a fraction of this in another branch of the financial services industry.

With his *only formal qualification* an O-level in drama, and unable to read or write because of his dyslexia, Fitch entered the insurance industry from a dead-end job loading trucks in a container yard.

But after starting in 1983 with Paarl, one of Britain's biggest life companies, he never looked back, gaining jobs with several other big groups, including Legal & General, Royal Life and Allied Dunbar.

"In the 1980s clients couldn't get enough life insurance," says Fitch. "People used to come to their front doors, ask me what I did for a living and say, 'Insurance? I'll have some of that'."

At the peak of his success, Fitch, now 35, bought a £280,000 house near Colchester and ran three cars: a Mercedes, a Jaguar and a Golf GTI. "It was utopia," he says.

His way of life ended in 1993 when Allied Dunbar terminated his contract. It started legal proceedings against him, claiming £97,000 to which it says it is entitled.

Fitch has kept his house, but has sold his cars, making do with a 1993 Vauxhall Cavalier. While he has started his own legal action against Allied Dunbar, arguing breach of contract, the company says it has acted reasonably and denies any unlawful action. Fitch and hundreds of others like him are among the human wreckage of the extraordinary boom-and-bust period for the UK economy over the past 15 years.

He is among an estimated 1,000 one-time insurance managers and agents – many of them on the dole – engaged in costly legal battles with their former companies over the circumstances of their leaving the industry. The former insurance operatives are haggling over large sums – thought to total £100m – which each side argues the other owes.

Few of the legal cases have come to court, partly because of the complexity of the legal arguments and because the large amount of ill will between the different parties has impeded efforts to reach speedy settlement. "Fighting these cases is like wading through a mixture of mud, treacle and shit," says Alex Bevan, of Bristol solicitors Bevans, who is acting on behalf of 70 former insurance agents and managers.

Behind the rash of legal disputes is the hiring spree indulged in by the insurance industry in the mid to late 1980s, when it took on thousands of mainly self-employed agents and managers to feed the public's demand for investment services.

But as the industry declined precipitously with the early 1990s recession, it laid off about 100,000 of its sales staff – with most of them saddled with debts to their former companies on account either of loans or cash paid up front on life policies and pensions which have lapsed.

*It is these debts – and the counter*claims by agents and managers saying the companies owe them cash either on account of breaches of contract, or because of unpaid sales commission that form the basis of the large sums being fought over.

Another piece of human flotsam from the era is *Richard Kidd who* – like Fitch – had startling success climbing the insurance ladder. After leaving school at 16 he was making £15 a week as a carpenter when an insurance agent sold him a policy. "He came round the next day and said, 'You're a bright lad, you could do this'," Kidd recalls.

From his first job in insurance in 1969, Kidd, now 45, worked his way up in the industry and was earning £300,000 a year, in the four years until 1992, in a job running an agency tied to Axa Equity & Law.

That same year he left to join Allied Dunbar, lost his job soon after and is now suing both Axa and Allied Dunbar. He is claiming malicious falsehood against Axa, alleging that it gave Allied Dunbar an inaccurate reference. This, he alleges, led to the company sacking him and breaching his contract.

> 'I got on my bike, I did everything that Maggie Thatcher asked…Now I've been shafted'

Kidd is claiming total damages from the two companies of about £2m. Both Axa and Allied Dunbar deny the claims and say they acted fairly and reasonably.

Over the past 3½ years Kidd has been unable to find work in insurance. He now works full-time with his wife in their restaurant in Norwich, *living in the flat upstairs on about £50* a week and with debts estimated at £1m.

"[In the 1980s] I got on my bike, I did everything that Maggie Thatcher asked," says Kidd.

"I worked 16 to 18 hours a day, including weekends, making something of my life. Now I've been shafted: They [the insurance industry] might as well have pulled out a gun and shot me."

Also bitter is Victor Tee, who in 1990 lost his £140,000-a-year job running the Winchester Group, an insurance brokerage, *after Lautro* – the self-regulatory body for insurance which has been subsumed into the Personal Investment Authority – raided his offices. After investigating alleged infringements of industry rules, Lautro issued an "intervention notice" which effectively stopped him trading.

Tee is suing the PIA for £8m, and is having his case reviewed by the European Commission of Human Rights. "I never think of giving up," he says. Each day Tee goes through legal paperwork; he manifests an important trait of the insurance man – tenacity.

"You have to be determined to sell insurance, and after they get kicked out these guys will go all out to get even," says one lawyer who has acted for several former agents.

A big grouse for many insurance companies is that it has been fairly easy for many former agents fighting them to get legal aid – one of Britain's fastest growing areas of public expenditure and where annual spending has quintupled in the past decade to £1.5bn a year.

Of the total legal costs – estimated at about £20m – of the disputes in the *industry, about a third is estimated to* have come out of the legal aid budget.

Most of the rest has come from insurance industry funds – an expen*sive drain at a time when the insur*ance and pensions market is still subdued.

"The moment you hear they [the former agents] have got legal aid, your heart sinks," says an executive with a big insurance company. "Before you start to sort out the mess, you're raking up £30,000 in costs fighting the case."

The most expensive of the legal cases so far is the one involving insurance company GRE and its former salesman Graham Spring, who sued the company on the grounds that it gave *him an inaccurate reference* preventing him from getting another job in the industry. The case went to the House of Lords in 1994. GRE lost, *leaving it with legal costs estimated* at £800,000 plus a settlement of about £70,000 paid to Spring.

Besides Spring, a handful of other former insurance personnel have gained large cash settlements from their former companies, aided in part by a network of lawyers and former insurance executives happy to pass on information about their old companies. The largest sum is believed to have been the £500,000 handed by Royal Life to Shay McGrath, one of its former managers, while the same company also paid £150,000 to David Stewart, another ex-manager.

Other former salesmen – among them Nick Ferrari, an ex-Legal & General agent who faces a bill for £180,000 after a court case last year – have lost their legal fights resoundingly. Ferrari, who faces bankruptcy, says: "In the 1980s, my business was going nicely, I thought I was made." Paul Graham, a legal executive with Yorkshire-based solicitors Twigg Farnell, and an expert on legal cases involving *the insurance world, says he knows of* ex-insurance agents faced with claims of up to £1m from their former companies. "The sums involved can be guessed at, but the amount of heartbreak and distress is incalculable," he says.

Secret deals that change British law

Foreign treaties should not be left to civil servants, says **A.H. Hermann**

Next week, parliament will have the chance to test *whether the government* really means what it says about being more open. A bill, due for second reading in *the House of Lords on Wednes*day, would reduce the powers of the Foreign Office secretly to ratify international treaties, *handing more responsibility to* parliament.

The bill, introduced by Lord Lester, the Liberal Democratic peer, aims to temper the monopoly of the mandarins while still allowing them the possibility of avoiding parliamentary scrutiny if they can say why they object.

Of course, the Foreign Office often falls back on its time-honoured excuse: namely that an attempt to explain the proposed measure would involve "disproportionate costs". And so it often may, since treaties are written in such obscure language. Ministers have limited powers of concentration. And they fear that if they knew what was happening, they might later be accused of having misled parliament.

The bill aims to erode a little of the medieval "prerogative powers of the Crown", which still exist and make a joke of the claim that, in the UK, parliament is supreme. If adopted, it might bring the UK in *line with* other *European* countries and the US in terms of international relations.

Since the second world war legal barriers between nations have been reduced by a host of multilateral treaties which affect people's everyday life. Many will bind present and future governments to enforce unwelcome, or highly controversial, regulations which have been adopted by international bodies. Some treaties require governments to curtail their independence in economic, foreign and defence matters.

These are no small matters: the present disagreements in the UK about further integration of the European Union is the tip of the iceberg. Yet *under present rules most of* the treaties which generate arguments can be ratified without being approved or even properly discussed by parliament.

True, in the British system of elective dictatorship, parliament could rarely deflect the government from its course, but it could greatly concentrate ministers' minds on what they were doing.

Otherwise, ministers may leave everything to Foreign Office mandarins and fail to discover what is going on. This was tellingly illustrated by Margaret Thatcher's apparent ignorance that the course towards European federation was firmly laid down in the Single Market Treaty adopted by her administration, and by the confession of Kenneth Clarke, the present chancellor, that he did not read the Maastricht treaty before agreeing to its terms.

British governments still behave as if international treaties were mainly about secret military alliances or nuptials of princes. They forget that these treaties are *about international protection* of human rights, cross-border police powers, commerce, transport, communications, employment, social security, migration and the environment.

All these matters can no longer be regulated only by national laws. Increasingly, *they are governed by treaties.* The adoption of such treaties without parliamentary approval is, therefore, a denial of fun*damental principles of democ*racy.

This has been recognised worldwide in countries living happily without the Crown's Prerogative Powers. Ratification of international treaties now requires parliamentary approval in the *US*, South Africa and in all democratic states of Europe.

Nor is Lord Lester's bill the first attempt at curbing the Foreign Office monopoly. It was tried in 1924 by Lord Ponsonby, who grasped the need for democratic control when a member of the other camp as a Foreign Office diplomat. When he became parliamentary under-secretary of state for foreign affairs in the short-lived minority govern-

> 'So there we are: all put in our place and told not to be cheeky'

ment of Ramsey MacDonald, he sneaked into the debate of the Lausanne peace treaty with Turkey a statement that the government desire that parliament should exercise supervision over treaties under certain circumstances.

According to this "Ponsonby Rule", treaties which were signed but not yet ratified would be laid before parliament by successive governments. However, even this has often been neglected. In a written answer at the end of last year, Lord Chesham, a Foreign Office spokesman, stated that the *government was not bound* by a statement made more than 70 years ago.

So there we are: all put in our place and told not to be cheeky. Lord Lester's bill would still allow the gentlemen from the Foreign Office to keep most of their pacts and agreements under a lid, but would require parliamentary approval at least for the most important. These – usually – multilateral treaties affect existing laws or private rights of individuals or corporations or impose new financial burdens on the UK.

Perhaps the hardest thing for the government would be a requirement to explain to parliament the purpose of each treaty, the reasons for signing it and the likely costs.

Other, less weighty treaties may be ratified if laid before parliament and left without protest for 21 days. And the whole Act can be pushed aside by the secretary of state if he or she decides that the ratification is urgent. He must then tell parliament why. There seems to be no provision in the bill enabling parliament to prevent such hasty ratification but, at least, the press would get a chance to make a fuss.

An opponent of 'Anglo-rican'

Andrew Jack looks at the work of the 40 immortals of the Académie Française

I cannot reveal exactly what takes place in the official meetings held every Thursday at the *Académie Française*. Just the 40 "immortals" who occupy the chairs of this sacred French institution are allowed to participate. The other initiates are their predecessors, all of whom are dead.

Even so, an observer last month at the "reception" ceremony of a new recruit – the single type of session of the academy to which the public are admitted – would have had a good idea of the backdrop.

The *quarante*, dressed in tailor-made green and gold uniforms, march – or more generally – hobble into their positions in a circular chamber capped by a high-domed and gold-plated cupola, to begin a discussion far removed from the contemporary world.

The academy is a self-selecting group, choosing the succes- by secret ballot, to a member who dies. Over the years it has approved the membership of Maréchal Pétain, while rejecting the candidature of Zola, Proust and Balzac. All are jokingly referred to as holders of the non-existent 41st chair.

The members debate in lengthy and sometimes heated sessions once a week, with the purpose of fulfilling the sole official role with which they and the former occupants of their chairs have been charged since 1635: "To give clear rules to our language and make it pure, eloquent and capable of handling the arts and the sciences."

In practical terms, that means the production of a dictionary, purged of words that may be in use but which are considered unacceptable in today's French usage. Yet for such a distinguished group of individuals – numbering 300 over the 361-year history, including Voltaire, Racine, Corneille, Pasteur and Hugo – their output has not been impressive.

In recent years, they have been delayed by such delicate questions as whether *chariot* should be permitted to be written with a single "r", although its Latin roots and most other related words take two "r"s. For the first time, both spellings are included in the latest version.

Since the original edition of the dictionary was published in 1694, there have been just *seven others. The most recent* complete version was released in 1935, and in its most recent cogitations, printed in the *French Official Journal* in January, the immortals had got as far as analysing the letter "g".

Productivity apart, critics have two other questions: whether the dictionary and the idea of linguistic purity that it symbolises any longer serves a *useful purpose*; and hence, more fundamentally, whether the academy has become redundant.

Such attacks trigger quick rebuttals from Maurice Druon, a former French minister of culture, an adviser to General *de Gaulle who fled with him to* London during the second world war, and was elected to his chair in 1966 at the youth*ful age of 48, before becoming* "perpetual secretary" 20 years later.

He has since done much *to revivify* the *academy's* work, launching earnest efforts to produce the ninth edition. While the eighth contained 35,000 words, the *new version* is likely to run to 50,000, and the aim is to publish it by the end of the century, with future versions every 10 to 15 years.

To speed the process, he has created a sub-committee of immortals to prepare words ahead of the sessions debated by the full academy. They even take work home with them. They have now got as far as scrutinising words beginning with the letter "m".

From 1988, Druon began, for the first time, to release *extracts to the public. He has* also made the official dictionary more accessible, issuing a first volume – from A to *Enzyme – including* a version in paperback.

Sitting in his study in the academy, a monocle hanging from *his neck, he barely* waits for the first inevitable question to be posed before launching into his reply. "I am not an adversary of the English language," he says. "I like it and its virtues. I would like English to be the first foreign language of all francophones… and French to be the first foreign language for all anglophones."

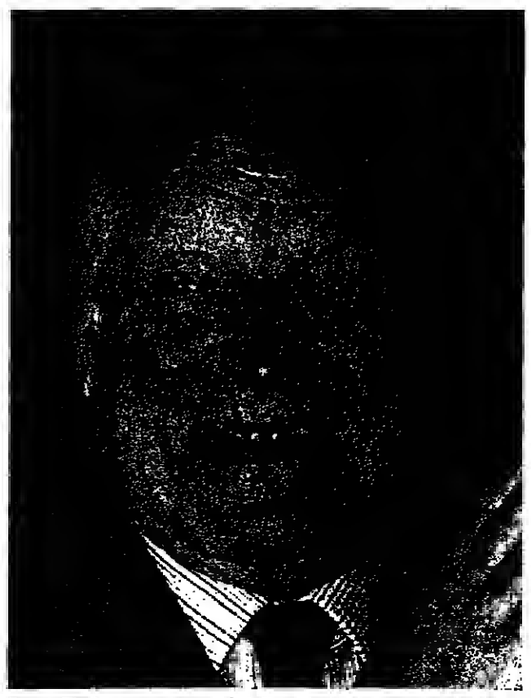
He rates French and English as the best languages in the world, partly reflecting the large number of countries in which they are spoken. But, he argues, French has the edge in some areas – not for its poetry but for its precision.

He says the quality of French has deteriorated in recent years, and blames the education system, which he argues no longer places emphasis on correct usage, let alone Latin, from which the language is most closely derived.

"The language of a people is *its soul," he says. "My fear is* that in French – and in English – that is being lost. The language of the elite *should become* the *language* of the people. That language evolves is obvious. A language which doesn't is dead. But a *living language can have prob*lems. There are different ways of evolving."

Hence, he argues, the need *for the academy, representing* the elite who can act as the most effective arbiters of appropriate usage. He has little *sympathy* with *the suggestion* that journalists such as television broadcasters might make useful "immortals", given their immersion in contemporary usage. He calls them "agents of degradation" of the language.

For Druon, many English words which have become widely used in French are acceptable. What he opposes is the growing use of "Anglo-ri*can", expressions incompatible* with French syntax, and above all "the language of the dollar".



Druon: 'The language of a people is its soul'

Reuter

HOW TO SPEND IT

Crafty ideas for a load of old rubbish

Lucia van der Post enthuses over a recycling exhibition

Recycling has become a politically correct pre-occupation. It covers acres of approving space in the eco-friendly press. But all primitive societies used to do it naturally.

Most dusty African townships are filled with children playing with cobbled-together toys constructed by their parents out of old cans, bits of wire, twigs and anything else they could find. Made with much love and great ingenuity, they often have a spontaneous charm that no mass-produced plastic doll could hope to rival.

Any visitor to India cannot fail to have noticed avid hunters trawling through dust-bins: they seem able to utilise every piece of string, paper, tin or wire for some ingenious practical purpose. When you have almost no income, ingenuity and inventiveness have to take the place of cash and almost everything retrieved is used in some way or other.

In the so-called civilised world we are relearning how to recycle – not out of financial need so much as out of the belated recognition that wasting materials and finite resources cannot go on forever. Although every householder develops recycling ideas of their own, it is design students, artists and craftsmen who have, on the whole, applied themselves and their work most seriously to the matter.

Not only does it challenge their creativity to find new uses for unwanted and rejected materials, but many of them are creatively inspired by the strange shapes and nature of what they find.

As the catalogue to a new exhibition on the subject puts it: "At the heart of the recycling of materials for creative use lies the concept of alchemy." Age-old myths about the alchemical process of turning base metal into gold continues to fascinate and inspire modern artists. They cannot resist the challenge of transmuting something old, rejected, abandoned and despised into something fresh, beautiful and desirable.

I have in the past shown the work of artists who turn driftwood into beautifully crafted birds (Guy Taplin), or who use polystyrene packaging to make strange sculptures (Frances Baruch) or who use recycled industrial felt and plastic chips to make striking chairs (Jane Atfield).

Now, however, at the Crafts Council Gallery (until April 21) there is an exhibition given over entirely to pieces made from abandoned materials.

They range from the strictly practical (such as Clare Goddard's handbags made from scraps of fabric or Jeremy Dent's garden seat made from aluminium cans) to the mainly decorative (Jam's extraordinary metal sculptures made from the rejected metal drums that usually go into washing-machines).

The range and inventiveness of the designs are breathtaking. Not all are beautiful – or to put it another way, not all will seem universally desirable – but everyone who visits the exhibition cannot fail to be astounded by the ingenuity. It is as if the perceived cheapness of the materials has liberated the creative imagination of the craftsman or artist.

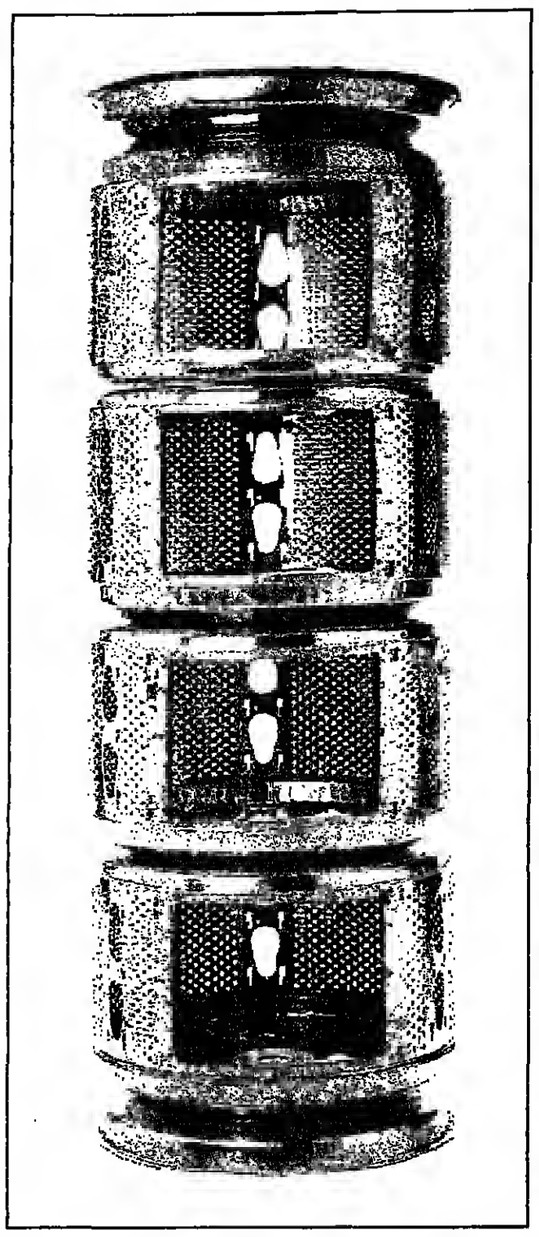
Favourites of mine include the lighting – Sophie Chandler's chandelier made from used blue glass bottles (£350) is a stunning concept, as is Tejo Remy's lamp made from abandoned milk bottles.

The jewellery markers seem to have found particularly happy end-uses for their "found" materials. Joanna Tinker uses corks, papers, bottle tops and sweet-papers to make colourful and attractive necklaces and bracelets, while Jessica Briggs uses glass buttons to make an exquisitely delicate necklace, and clock keys to make a chunky one. Brigitte Turba turned from conventional goldsmithing to making jewellery from recycled toothbrushes, silver fishing line and bits of plastic window. It is more desirable than many a piece from a posh high street jeweller.

Lizzie Reakes makes enchanting rugs from left-over rags and pieces of fabrics and there is a great deal of furniture made from abandoned wood.

All in all, this is an exhibition worth making an effort to see. Everything on view is for sale and if the piece you want has already been sold, most of the craftsmen and women will take commissions.

■ *The exhibition is at the Crafts Council Gallery, 44a Pentonville Road, Islington, London N1 until April 21. It then goes on tour until the following April, stopping off at Walsall Museum & Art Gallery, McManus Galleries, Dundee, Buckinghamshire County Museum, Aylesbury, Mead Gallery, University of Warwick, and Nottingham Castle Museum & Art Gallery.*



□ Left: Jam – a design team formed by Jamie, Astrid and Matthieu – is sponsored by Whirlpool which gives them the metal drums for washing-machines that do not come up to scratch. Jam started its designing life using fighter-jet parts salvaged from French aerospace drums to make sculptures and furniture. Here, metal drums are used to create a steel sculpture. £350

□ Above: Jewellery made from laminated sweet wrappers by Joanne Tinker. Brooches from £7.50, necklaces from £35

□ Right: Sophie Chandler's chandelier made from bright blue glass bottles. £350

Not for the faint-hearted

Maia Norman tells **Karen Wheeler** about her life, loves and creativity

The Turner Prize-winning artist Damien Hirst is a name on many lips. But few will be familiar with his partner, jewellery designer Maia Norman. Yet Norman, a 33-year-old Californian, is an equally creative half of the couple which is at the centre of one of London's most fashionable coteries.

Her bold, attractive pieces of jewellery have already built up a cult following among chic, art world women. Her impact on the fashion world until now, however, has been restricted to a best-selling, beaded choker that she designed while working (anonymously) for fashionable costume jeweller Erickson Beamon and the pictures of her on Turner Prize night in a Rifat Ozbek dress (sales of which consequently soared) that mimicked one of Hirst's multi-coloured spot paintings.

Now, after a year's break from designing – partly caused by the birth of the couple's 10-month-old son Connor and also the gypsy existence that they have lived since returning from a sojourn in Berlin – Norman is ready to dip into her supply of semi-precious stones, pick up her tools and take on private commissions again.

Like Hirst's formaldehyde installations, Norman's designs are not for the faint-hearted or for those whose tastes are more traditional. Her work consists of striking cuff-links and rings featuring huge, semi-precious gems or coloured glass cut into graphic shapes. There are oblong chunks of turquoise, oversized squares of lapis lazuli and finger-obliterating rectangles of rainbow obsidian – all set in chunky silver.

Much of the appeal lies in the starkness (I found myself hankering after a silver ring set with a huge circle of rose quartz). They are definitely for modernists and minimalists rather than those who favour fussy or intricate jewellery.

Norman hates anything "too dinky or delicate or anything with too much detail – which is why I use thick metal for the settings". She has made one-off pieces for the actress Katrina Boorman and Jay Chiat of the Chiat Day advertising agency, and has many clients in New York. "My best market in the US is the 40-year-old woman – you have to be very confident and have a clear sense of your own style to wear one of my rings," she says.

Finely boned with long blonde hair and a curiously compelling personality, Norman is hugely popular in art circles. She is quite a looker, a real California girl and very good fun.

She has a strong and individual sense of her own style. For afternoon tea in the relatively sedate surroundings of the Basil Street Hotel, Knightsbridge, (she is more usually found in Soho's Groucho Club) she is wearing a rubber zip-up top in sky blue, skinny navy iridescent trousers by Patrick Cox and a clumpy pair of Caterpillar workboots. Somehow it works.

Until recently, she favoured Day-Glo colours – never black – and cites John Galliano and Rifat Ozbek as her favourite designers. When Hirst discovered that his distinctive multi-coloured spots on a white background had inspired part of an Ozbek collection it was Norman who persuaded him not to sue.

"I said, 'Don't call the lawyers. Let's call Rifat instead – maybe he can find me something to wear to the Turner Prize'." Ozbek duly obliged.

She becomes very animated on the subject of second-hand shops. "Damien and I are charity shoppers – half my wardrobe comes from charity shops in the Kings Road. You can get some really good quality men's shirts." However, she would not be averse to a nice Hermès coat ("I do like quality").

Along with art, jewellery, fashion and furniture, Norman's other passions in life are surfing (she used to compete professionally) and snowboarding – which she recently mastered on a skiing trip to the Italian Alps.

She has had no formal training but has always made jewellery – "since I was 16". After a childhood in Berkeley, California, she went walkabout in Europe, in Paris she studied fine art at Parsons and socialised with with graffiti artist Keith Haring's set. When she tired of this, she arrived in London with just £90. A meeting on a bus with an old friend from Los Angeles led to the job of designing for the jeweller Erickson Beamon.

"Maia was very creative and extremely nice. You could see in a second that she had loads of style and talent," says Vicki Sarge of Erickson Beamon. During her three years there she designed a collection of beaded, multi-strand pieces called Kitchen Sink which were among the best-selling ranges in 1986-87.

Norman's own style has evolved a great deal from an early "urban flotsam and jetsam" look. "I worked with all kinds of garbage – bits of run-over chrome found on traffic islands. I even made earrings from Super 8 porn film and horsehair tassles," she says.

"Then I went through an African bead stage and now I make what I want to wear – at the moment rings and cuff-links." Another fan is art dealer James Birch who held an exhibition of her jewellery and almost sold out.

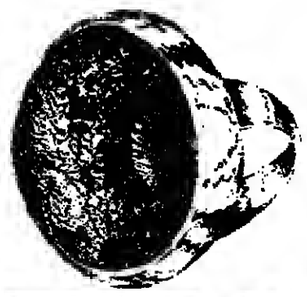
At present much of Norman's energy is being diverted into interior decor. The couple's new house is set in 24 acres in north Devon and Norman is determined to have a traditional sofa like a Chesterfield – but in silver leather. "I like the combination of a few new things with older things," she says, "but there is no way I'm having antiques."

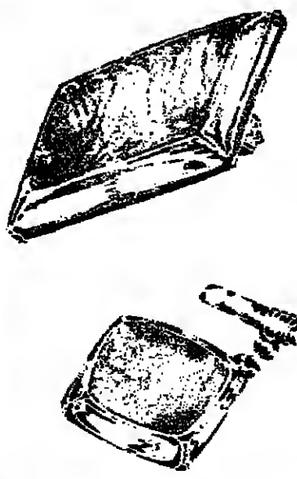
The Hirsts' new flat on The Strand, in central London, will be furnished in minimal style. "All we own are two hot pink swivel chairs by Charles Eames but I can't wait to get one of Damien's spot canvasses on the huge white walls. They are fantastic to live with – really optimistic."

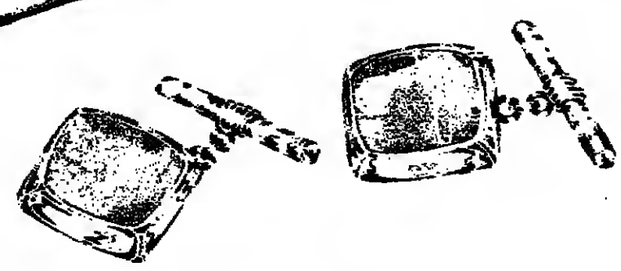
The house in Devon has huge outbuildings where she and Hirst can each have separate studios. It is likely that it will become a hotbed of creativity, with plans afoot to set up a silver workshop and pottery studio as well as an enormous painting studio so that friends who visit can do constructive things rather than "sit around drinking".

Norman has already thought of the perfect clothes for Hirst, Connor and herself to wear in the country: matching romper suits. "Nice, warm stretchy ones with Damien's spots all over them."

■ *Prices for Maia Norman's jewellery start at £250, depending on quality and type of stone. Orders can be placed through White Cube gallery, tel: 0171-930 5373.*







Maia Norman (below left). Her jewellery ranges in price from £250 to £650 and can be ordered through the White Cube gallery

Drawings by Bryan Poole

FASHION

Renaissance of a British institution

Liberty, the mock-Tudor store, has acquired a loyal and chic female clientele in its two-pronged attack to be taken seriously, writes Richard Rawlinson

Think of Harvey Nichols and one pictures a modern department store full of international designer labels, the first choice of the Princess of Wales and the archetypleal fashion victims Patsy and Edina in *Absolutely Fabulous*.

Think of Liberty and a different image may spring to mind; a quaint mock-Tudor building, housing floral printed ties and head scarves for home county types and Japanese tourists seeking souvenirs of Little England.

But during the past two years Liberty has steadily become a force to be reckoned with in the battle among London department stores for the affections and purses of London's most discerning seekers after fashion.

And while rivals such as Selfridges and Dickins & Jones are trying to streak ahead with multi-million pound makeovers and injections of big-name designer labels, Liberty's renaissance has been taking a more individual route.

The company has adopted a two-pronged attack which has been tested in the womenswear department and is about to be rolled out into menswear.

First, it has quietly won a loyal and chic clientele, of women who want something unique and more adventurous than they would readily find elsewhere.

Its fashion floors have been filled with pieces from the more innovative designers such as John Galliano, Vivienne Westwood, Ghost, Alexander McQueen, Pearce Fionda, Gucci, Helmut Lang, Issey Miyake and Commes des Garçons.

Liberty has deliberately decided to promote British fashion; it is including up-and-coming young talent alongside the more progressive overseas labels. It is a testimony to its talented buyers whose inspired selection from these collections has turned such a potentially risky strategy into a big commercial success.

Second, Liberty launched an own-label womenswear collection two seasons ago, and this has been followed this spring with a full range of men's own-label clothing, both formal and casual.

When introducing an own-label line there is the possibility that, if successful, it might compete with the carefully nurtured selection of bought-in labels.

Knitted short-sleeved sweater, £49, and navy knitted knee-length skirt, £49

Building on the Liberty heritage: Aqua Liberty Lotus Poiret print used here for a short-sleeved dress, £110

Turquoise double wool dress, £110, and matching double-breasted jacket, £159

From the menswear own label: taupe wool Prince of Wales suit, four button jacket, £175, single pleat trousers, £85, and waistcoat, £65

Tom Logan, Liberty's director of fashion merchandising, believes the own-label ranges have a niche of their own, filling the gap in the market between the high-profile designer labels and the high street brands.

Both collections combine modern style with classic English tailoring and come with price tags which often bely their quality and attention to detail.

At times, it seems as if the designers are striving to uphold traditional sartorial values, but cannot resist having some fun with the trends they have spotted on the Paris and Milan catwalks.

The men's collection includes sharply cut, slim-fitting, single and double-breasted suits in traditional cloths and patterns. They are priced around £300.

Shirts are bold, in keeping with today's trends, coming in colours ranging from royal blue and raspberry to orange and lime. Narrow leg trousers with flat fronts and frog-mouth pockets can be teamed with zip-up bomber jackets, polo shirts and soft, lightweight jerseys.

The womenswear collection has a contemporary air, concentrating on fashionable simple suits and dresses in monochrome or pastel shades. Key pieces include a turquoise crêpe box jacket and matching pencil skirt, a white crêpe cigarette-leg trouser suit; and short-sleeved shift dresses which come with co-ordinating coats.

But what makes these collections stand out from all the other competing brands in the "contemporary classics with a twist" category is that they draw on the distinctive heritage of Liberty.

Bright floral prints, chosen from the Liberty archives, feature on some of the shift dresses, on men's shirts and are sometimes quirkily hidden inside jacket pockets.

Those customers who are likely to pass over pretty paisleys for plain or striped garments in the season's hottest colours will not be disappointed, but for those who have a soft spot for Liberty's aesthetic heritage there will be plenty to choose from.

Certainly, the youthful designers behind the collections – Simon Watkins, formerly menswear designer at Next, and Dilys Williams, formerly of Whistles – are confident that their incorporation of Liberty prints into modern styles will persuade more people to come round to Liberty's way of thinking.

> From summer, Liberty will devote the Regent Street building to menswear

Meanwhile, Logan is now focusing his attention on the menewear department's designer label selection in an attempt to bring it up to the level of the womenswear.

"At present we devote much more space to womenswear than menswear," he says, "and we'd like each department to be as good as the other. We're aiming to make Liberty an essential stopping-off point for anybody interested in buying fashion, men as well as women. Shoppers may think of us when it comes to ties but fewer shoppers think of us when it comes to suits and other more substantial buys."

Liberty is planning a reorganisation of its fashion floors – from the summer, it will devote its entire Regent Street building to menswear while the Great Marlborough Street building (the two are joined by an enclosed bridge over the road) will be given over to womenswear and home furnishings.

The Liberty own-label menswear will take pride of place on the Regent Street ground floor. The basement, which now stocks kitchenware and bethroomware, will house a contemporary designer menswear department, with the latest selections from designers such as Comme des Garçons, Yohji Yamamoto, Romeo Gigli, Jean Paul Geultier, Helmut Lang and Dries van Noten.

It will also have a big leisure wear section with both the leading and less well-known brands, including Stone Island, CP Company and Massimo Osti Production.

The first floor will stock tailoring and more classic designer labels, including Polo Ralph Lauren, Giorgio Armani, Cerruti, Hugo Boss, Paul Smith and Jasper Conran.

There are also medium-term plans to create more space for men's fashion on the second floor, which is used for offices.

Liberty has traditionally attracted the customer who has off-beat rather than conventional good taste.

Quirkiness, a sense of its own idiosyncrasy, is what Liberty knows it needs to maintain. Logan knows that Liberty lost its way in recent years and "these changes mark a return to our roots", he says.

"What we do best is to cater specifically for people who want something a bit different."

Liberty was founded in the late 19th century, selling exotic imports from the East alongside the then contemporary British design of the Arts and Crafts Movement.

It is a tradition into which the complex imagination of an Issey Miyake slots as easily and as well as the more British quirkiness of a John Galliano.

Motoring / **Stuart Marshall**

Mazda fords the gap

Mazda has made far less of an impact in Britain than other Japanese marques like Nissan, Toyota or Honda. Most people seem to think of Mazda as a maker of sports cars: the fast, thirsty and costly RX-7 with its Wankel rotary engine and the top-value MX5 fun two-seater.

Its 323 and 626 family-cum-fleet cars have been consistently under-rated, although the quality-conscious Germans have long bought them in serious numbers. But the up-market Xedos executive saloons (Mazda's Lexus, in a manner of speaking) are little known in Britain. The car that is about to change things and bring Mazda in from the cold is the new 121.

Paradoxically, the 121 really is a Degenham-built Ford. (Ford has a large financial stake in Toyo Kogyo, which makes Mazda cars.) Until now, the traffic has been the other way. For several years, a 121 was sold in the US as a Ford Festiva, while the elegant Ford Probe sports coupé is essentially a re-badged, American-made Mazda. A former 121 lives on as the South Korean-made Kia Pride – which only goes to show that, in today's international motor industry, one does not really know who does what.

But back to the first Mazda to be made in Britain, the new 121, which reaches dealerships in April. It should not be easily confused with the old-shape Fiesta, even though it shares many of its components, because the front looks every inch a Mazda, not a Ford.

The Mazda 121 will be keen value. Power steering and a three-year, 60,000-mile warranty are standard and prices will start at £7,885 for a 1.3-litre GXi three-door.

A five-door, 1.3-litre GXi, or 1.9-litre, diesel-engined DXi, will be £8,340; a 1.25-litre, 16-valve ZXi will be £9,485 and £9,940 respectively for three- and five-door models; and a five-door ZXi automatic will sell for £10,895.

Exact price comparisons with the old-shape Ford Fiesta, replaced recently by the bigger and rounder looking New Fiesta, are difficult because specifications differ. Suffice to say, that a Fiesta 1.3 Cabaret five-door with optional power steering is listed at £8,655, £315 more than its 121 counterpart.

> It should not be confused with the old-shape Fiesta

The 121 has two other pluses. Buyers can have a 121 powered by the outstanding, Yamaha-designed, 1.25-litre engine that Ford now fits only in the New Fiesta. And intangibly, but to many potential buyers significantly, the 121 is a Mazda – not a Ford.

Do not misunderstand me. Ford cars are good. Forget the ugly Scorpio, which looks as if it was designed for top people in the Kremlin before the Soviet Union fell apart. The other models – New Fiestas, Escorts and Mondeos – are handsome, refined, comfortable, and perform as well as, or better than, class rivals.

For some people, though, the blue Ford badge can be a turn-off. Plenty of motorists have driven Rovers and Saabs, Hondas and Volvos, for years and now want something smaller. But they will not consider a Ford: "I would not want to be taken for a company rep" is what they tell their friends.

Sheer snobbery? Of course. But you cannot ignore it, which is why I foresee a bright future for the 121 and, in turn, improving prospects generally for Mazda in Britain.

Several thousand British motorists, many of them first-time Mazda buyers, will get behind the wheel of a 121 this year. I am sure they will like it. The only one I have driven so far is a three-door ZXi, which my wife and I thought delightful.

The zippy engine spins like a turbine at high revolutions and pulls uncomplainingly at 30mph (50kph) in fifth. Clutch and gearbox are delicately precise, the ride smooth and the interior, with not a hard edge in sight, as user-friendly as that of a Fiat Bravo.

The front seats are comfortable and uncramped; the rear ones easy to reach by the standards of a two-door car. There is not all that much space in the back for tall adults or for luggage in the boot but this is, after all, a small car.

Previous Mazda 121s have been a touch eccentric; the new one is mainstream. Attractive without being controversial, it is a happy combination of Ford's engineering expertise and economies of large-scale production with an identity of its own.

SPORT

Soccer / **Simon Kuper**

A better way of choosing a nation's chief

The tribal elders are meeting in conclave – but is all that really necessary in football's new age?

Like an ancient tribe choosing its new chief, the Football Association is seeking a new football manager. The FA is great and wise, but it relies for its selection methods entirely on tradition. A headhunter would go about the task rather differently; and so would anyone who had studied football history.

The FA's criteria are revealing. First, it wants the new man to be an Englishman, as are Bryan Robson, Glenn Hoddle, Gerry Francis and Frank Clark, the main candidates for the post.

The FA thinks that as the England manager is a kind of ambassador for his country, he should be a native. It also seems to believe that only an Englishman could feel the holy fire needed to do the job.

Peter Breen, a headhunter at Heidrick & Struggles, disagrees. So would many British corporations. Richard Giordano, chairman of British Gas, is American, Gerry Robinson, Granada's chief executive, is Irish.

If the leading people in a field are foreigners, it makes sense to appoint a foreigner. And most people think that English football has fallen behind that of the rest of Europe. Few would argue that Robson or Hoddle are better managers than Johan Cruyff or Franz Beckenbauer.

Small footballing countries, such as the United Arab Emirates, already accept that they need foreign experts, and there are larger precedents. The Austrian Ernst Happel led Holland to the World Cup final in 1978; the Argentine-born Helenio Herrera managed Spain, France and Italy (not at the same time); the German disciplinarian Sepp Piontek led the happy-go-lucky Danish teams of the 1980s. As for the ambassadorial angle, an England football team boosts the nation's stature by winning, not by losing under an Englishman.

Would any foreigners *want* to manage England? Many European men of a certain age are Anglophiles. Cruyff, for instance, who turns 50 next year, grew up just after Britain had helped liberate Europe, in an age when the English were arguably playing the best football in the world.

He remembers England beating Holland 8-2, and as a boy he ate hot English lunches at the home of Vic Buckingham, then the Ajax manager. Later he spent his first foreign holiday driving around England with his chum Michael van Praag, the current Ajax chairman, and today he still speaks perfect English. (Beckenbauer learned his as a player in the US.)

Cruyff's Dutch contemporaries are just as Anglophile. The parents of Nottingham Forest's Dutchman Bryan Roy named their son after the Manchester United player Brian Kidd and the Rolling Stone Brian Jones; Arsenal's Dennis Bergkamp was named after Manchester United's Denis Law; and the former great Dutch striker Marco van Basten has a brother called Stanley, after Stanley Matthews. England should use its emotional hold on Europe's middle-aged men to attract the best manager.

> Three of the four most successful managers in England in recent years are Scots

The second demand the FA makes of prospective chiefs is for a track record as a league manager. Breen appears to agree: the winner should have "demonstrable expertise and capability in football management".

This point may seem obvious, but is at least arguable. English managers operate in a backward league. Gerry Francis has done well with Spurs by teaching his players basic footballing virtues, such as fitness and passing; enough to beat Arsenal, but perhaps not Brazil. And three of the four most successful managers in England in recent years are Scots: Kenny Dalglish, Alex Ferguson and George Graham. Kevin Keegan, the only Englishman in the quartet, seems married to Newcastle.

The most promising league managers are almost by definition tied down, which leaves the FA trying for less promising league managers, like Ray Wilkins ("poor showing at QPR," says Breen) and Howard Wilkinson ("can do nothing right at Leeds").

More successful countries do things differently. The first side Beckenbauer managed was the German national team, which he led to World Cup victory in 1990. Michel Platini, another managerial novice, had an excellent run with France; Cruyff set Dutch football alight from his first days as a manager, with Ajax in 1985.

These men got big jobs because as players they had shown they were born leaders with football brains. Also, as they were icons, their players ran the extra yard for them, and the press gave them the benefit of the doubt.

Cruyff brought in an opera singer to teach Ajax players how to breathe, and he and Beckenbauer were both prepared to lose early matches to create a better team. By contrast, Bobby Robson as England manager explained that he never experimented in friendlies for fear that a defeat would provoke the press. He left no mark on the English game.

Silvio Berlusconi, the Italian media mogul, also looked beyond the usual suspects when choosing managers for his club, AC Milan. First, he headhunted Arrigo Sacchi, a young man with no playing record in his first managerial job with a lower division side.

Sacchi turned Milan into the best side in the world. Then Fabio Capello, a former Italian international who worked for a Berlusconi company, succeeded in improving the team. It seems that Berlusconi, an astute company president with no footballing background, can judge who might make a good manager. And managing the England football team is similar to managing any other business. Breen suggests this when he writes that the new man must have been "a successful decision-taking leader in an environment of open, strong personal relationships".

The FA is also concerned that the new man can deal with the press: that he can speak in sentences, and does not attack his players in public. Breen, too, would look for media skills.

It would help England's international prestige to have a manager who does not swear too much. But spin doctor types may not make great leaders. Men who inspire others tend to have sharp edges. As manager of Germany, Beckenbauer attacked his players in the press. Cruyff, says one of his friends, "is a genius but lacks tact".

Years ago the FA interviewed Brian Clough, another confrontationalist, and asked what would be his first act as England manager. "Sack the lot of you," said Clough. The most successful English manager of the time, after Bob Paisley, he did not get the job. The corporate men who have won it in recent years – Ron Greenwood, Bobby Robson, Graham Taylor and arch-smoothie Terry Venables – ruffled no feathers but ended up sporting none either. Taylor was polite, did not drink, could say a sentence without swearing, and built one of the worst England teams in history.

The FA also insists that the new man should be a full-timer, even though many leading companies have part-time chairmen. It sticks by this demand, even though it is splitting up the England job. In Venables' place it will appoint a manager and a technical director, who will oversee youth football and longer term planning. This means that the new man's sole task will be to coach England in about 10 games a year.

This hardly seems a full-time job. The manager will have to watch English players – but most English candidates for the job do that in any case. The requirement that whoever takes the post must give up everything else rules out the likes of Keegan, the most credible English choice.

Full-time England managers always complain about the weeks between matches, when they do little more than read hurtful articles about themselves. Taylor and Robson became obsessed with what the papers were saying. The terror under which Taylor must have laboured can hardly have inspired his players.

The best England manager would be either a top-notch foreigner or Keegan, and he should be able to work part-time if he prefers.

The FA should not make the appointment – the recent record of Sir Bert Millichip, Graham Kelly and friends suggests that they lack the knack.

They appointed Taylor; they appointed Venables, and then refused to stand by him over his business affairs, which they knew about when they appointed him; and they have watched English club football's descent. They should bring in outside experts to help choose the new man, as many companies would do. But Sir Bert and the other tribal elders will choose the new chief, and the one after that, and the one after.

Beckenbauer: the first side he managed was the German national team, which he led to World Cup victory in 1990

Allsport

Gardening / **Robin Lane Fox**

All-weather shrubs

The cold weather has yet to kill my ceanothus and I cannot say that it is all bad. There have been pale-washed afternoons in which the sun falls magically on the bare shapes of trees and tall shrubs. Last weekend, the pigeons were cooing in the distant woods; the sunlight was falling on some of the rarest trees in England's home counties and, briefly, I preferred winter gardening to anything in the world.

Admittedly, I was back in a happy hunting ground – the Hillier Arboretum at Ampfield, near Romsey, Hampshire – other hunting grounds being too frozen for boot work. Not long ago, I wrote about the witch hazels there – some of my best visiting seems reserved for the Hillier – and remarked that the flowers were unusually frost-proof.

The past fortnight has tested that opinion and, after another visit, I can confirm that these wonderful shrubs are just as beautiful after a savage night as they are in a mild winter. The arboretum owes its backbone to the king of the previous generation of tree and shrub experts, Sir Harold Hillier.

It owes much, too, to subsequent curators, including Roy Lancaster. Nowadays, it owes an inestimable debt to the support and sense of Hampshire County Council who took on Sir Harold's brainchild, perhaps not realising what an unfolding asset they had acquired.

I rather think Sir Harold planted piecemeal over much of his huge area, adding unusual trees and shrubs as they occurred to him. Twenty years and more have passed and these individual insertions have started to mature into a variety which tests any gardener's knowledge. Perhaps you can identify Viburnum harryanum from the leaf, but I very much doubt if you would know an Oemleria until you had seen Sir Harold's.

While other botanical gardens have been sitting still, at least in their selection of trees, the Hillier plantation has gone from strength to strength. The witch hazels are one of the beneficiaries. The Hillier collection is now the recognised national collection and, in January or February, anyone can see why.

Bushes and trees with yellow and red flowers loom out of the winter light in clearings or against a background of evergreens. The main Chinese and Japanese forms are represented, but the remarkable sight is the array of hybrids, including forms from the US, the Low Countries and Hillier's own nurseries.

Gardeners tend to prefer the sweet-scented *Hamamelis Pallida* and, after comparison, I cannot say that they are wrong. However, the tall, upright Sunburst is also spectacular because its flowers are a more acid yellow and I would also covet a similar pale form called Moonlight.

Unfortunately, these shrubs are miserable or half-hearted on any soil which has lime in it. They are strictly for people who grow azaleas or camellias, unless you can imitate the initiative of a keen friend of mine who has devised a large tub of acid soil for a single bush of Pallida beside his backdoor.

The witch hazels will hang on until the end of this month, although their peak is past and the third week in January is the high season for future visits.

In the February sunlight, the interest is just as strong elsewhere – among the birches, early camellias, fading viburnums, emergent willows, polished Prunus and a remarkable tree trunk which I mistook for an extraordinary birch tree at a distance. This titanic, white tree-trunk turned out to be no birch tree, but a tall eucalyptus.

Often, old trees in this family can be flaky and run down. The firm, white trunk of the true mountain gum is an exception. It is named dalrimpleana in honour of a previous commissioner of forests in New South Wales where it is at home. On the arboretum's far slope, it has grown dead straight to a height of 40ft or 50ft, so that the upper canopy of ragged grey-green leaves

does not detract from its impact. The experts all say it is one of the hardiest trees in the family and, if I had a park with a hill and backdrop of light woodland, I would certainly have to have one.

If only nurserymen could keep up with Sir Harold's collection, we would also have to have such pleasantries as the upright form of Robinia or his early-flowering witch hazel called Advent which really does flower before Christmas.

These plants are still rare and likely to remain so. Never mind, we can visit them at leisure and skip the 20 or 30 years which has gone into their development.

Instead, we can admire the local form of winter honeysuckle, Lonicera purpusii Winter Beauty which is becoming more widespread and is such an improvement on its parents.

Hilliers bred it by crossing the two familiar winter honeysuckles and selecting this free-flowering form which has plenty of buds in its early years and lasts from December until late March. Together with Viburnum Deben and Yellow Winter Jasmine, it is marvellously welcome in the bleak season.

"From a design aspect," the arboretum's excellent leaflets explain, "the winter bleakness which most of us dread can be used to a cunning gardeners' advantage."

You may think you have heard that before, a plea for brambles with white stems and my beloved Winter Sweet which does not flower for years. The arboretum will prove you wrong and its own statement to be true.

The cheering proportion of evergreens, bamboos and emerging camellias seems to protect you from the bleakness which most of us contrive at home.

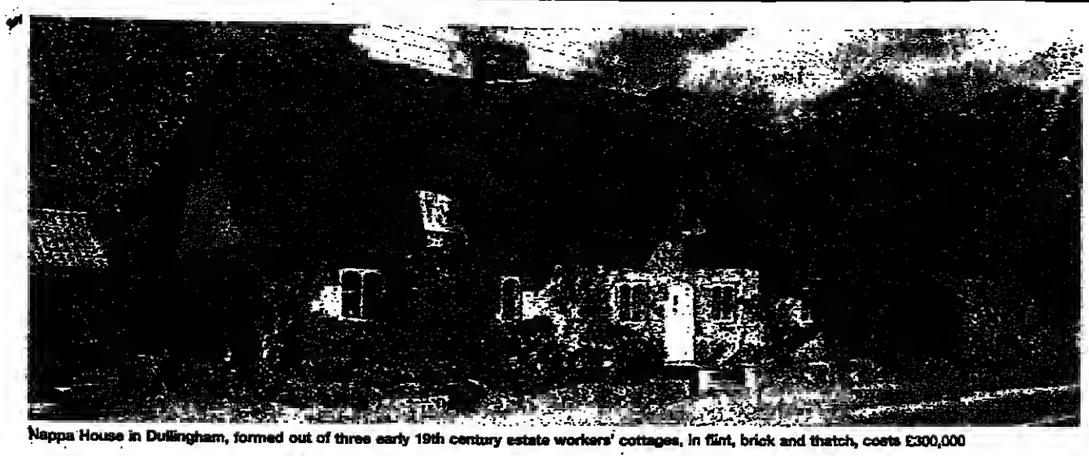
Look upwards, like visitors to an early medieval town: above you, there are probably silver, silky buds on the willows and a dusting of flower on the white winter cherry.

Sir Harold decided what he liked and went for it early enough in life. The rest of us did not know, moved around or fiddled about, growing short-lived campanulas.

Perhaps there are some of you who know an equal arboretum which is not just a ground map for foresters but is also a delight for gardeners too. I cannot think of one and I never find one that always works wonders on the weather when I decide to visit.

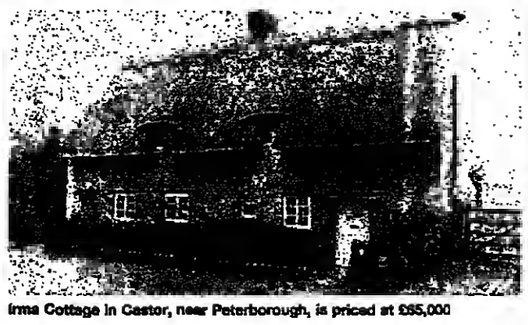
It leaves you thinking that there can be no fairer memorial to one person's life, just so long as there is an enlightened council to meet the bills and keep the legacy open for visitors every day.

PROPERTY



Nappa House in Dullingham, formed out of three early 19th century estate workers' cottages, in flint, brick and thatch, costs £300,000

No 16 High Street, Langstone, on the foreshore of Chichester harbour



Irma Cottage in Castor, near Peterborough, is priced at £65,000

Monmouth Cottage in Melbury Osmond, with three bedrooms, beams, inglenook, bread oven and flagstone floors, is all that a cottage should be

Rural dream carries a premium

Gerald Cadogan discusses the lure of village life and highlights the pitfalls in buying a country cottage

Country cottages are not usually a bargain. The reason, more often than not, is that it is dreamers who buy them. They have to pay extra to make their rural retreat dreams come true.

The appeal of cottages is partly that they are easy to run. Opening up and lighting a fire on Friday night and shutting on Sunday afternoon need not be a chore, especially if a local keeps an eye on the house during the week. And cottages are never so large as to demand that the whole weekend is given over to house cleaning.

Often, they are in beautiful spots – in a village (preferably within walking distance of the pub, village shop and church), or along a lane, by a mill or out on the moors.

Old-fashioned cottage gardens with their bedded-out annuals are no longer the temptation they were since the work involved makes sense only for full-time cottage dwellers. But cottages still offer the chance of income – by opening rooms to bed and breakfast visitors, or letting for self-catering holidays.

It is the comforting dream of tradition that counts most. Cottage people look for a slice of old England (or Wales, Scotland or Ireland) that they may believe has not changed for hundreds of years.

Cottages are houses that were built for rural labourers – a group that now barely exists – in the vernacular of the region. In the stone country, they are stone. Elsewhere, they are usually timber-framed; in Devon, with a filling of cob (dung and mud) and, in the chalk country, of knapped flint.

The roof is often thatched, which gives excellent insulation. Inside, expect low beams. Some cottages boast an inglenook or bread oven built into the fireplace. A few still have the lavatory at the end of the garden.

Pretty and old, even "quaint", cottages let their owners feel part of the enduring values of rural life – and gloss over the tough conditions and miserable wages the farm workers endured in the time before electricity, gas, telephone and running water.

Despite the sentimentality, cottages make first-class second homes. Not that weekenders and part-time incomers are always popular with villagers. Outside demand raises prices – fine when the locals are selling but not so good when young marrieds want to buy a cottage in their village.

If in doubt about the cottage premium, compare the prices of properties listed below with the standardised prices in the Halifax indices. In January, Halifax's average "existing house" (as contrasted with a new house) cost £60,250.

No 6 The Square, Puddletown, near Dorchester, is offered at £139,000

In terms of space, the Halifax defines an average house as having 5.3 *habitable* rooms, excluding attics, bathrooms, lavatories, halls and landings, utility rooms, etc. A typical cottage, with two to three bedrooms, is comparable. Yet most cottage prices are much above this average, and there is often keen competition, leading to high prices, for cottages to renovate.

In Kent, Strutt & Parker sold a derelict, timber-frame cottage with hanging tiles (in the Wealden fashion), listed grade II, for much above its guide price of £70,000.

In the 1980s, cottage prices rose alongside the prices for top country houses, says Richard Donnell of Savills Residential Research – until 1989 when the cottage index did not peak as high. Now, the two indices are on a par, except in Scotland where cottage prices have soared – from a lower base. A survey by Knight Frank finds them to be only slightly cheaper than cottages in Gloucestershire and much dearer than those in Wales, Cornwall, Devon and Yorkshire. East Berkshire is the most expensive area for three-bedroom cottages (£300,000).

Here are examples of authentic cottages, unenhanced by additions like conservatories and tennis courts.

The pick of the bunch is Monmouth Cottage in Melbury Osmond, near Dorchester, in Dorset. With three bedrooms, beams, inglenook, bread oven and flagstone floors, it is all that a cottage should be. Sadly for FT readers, contracts are exchanging as I write (at the guide price of £170,000 through agent Michael de Pelet) – but it shows what is on the market.

A simpler alternative in Thomas Hardy country – at £139,000 through Palmer Snell (Dorchester, 01305-269296) – is 6 The Square in Puddletown, near Dorchester, which has many of the same features.

The white painted Fleur Cottage next to the church in Churchstow, near Kingsbridge in south Devon, had its thatch re-ridged and combed in late 1995. The two-bedroom cottage is semi-detached, which may explain a price of £112,500 – from Marchand Petit (Kingsbridge, 01548-857588). In Hampshire, 18 High Street in Langstone, near Havant, sits on the foreshore of Chichester harbour, with splendid views and its own mud mooring. This sailor's nest, with hung tiles on the side elevation, began life as a chapel. Henry Adams (Chichester, 01243-533377) asks £117,000.

Hillside Cottage is in Cotswold stone on the edge of the pretty village of Castle Combe in Wiltshire. With four bedrooms, it costs £195,000 from Hamptons (Chippenham, 01249-652717).

In Castor, near Peterborough in Cambridgeshire, the thatch on Irma Cottage was renewed eight years ago. Now the rest of it needs work. Savills (Stamford, 01780-66222) asks for offers above £65,000.

In the same county, Nappa House in Dullingham, near Newmarket, is worthy of a picture postcard. Formed out of three early 19th century estate workers' cottages, in flint, brick and thatch (both reed and long straw), it costs £300,000 from Bidwells (Cambridge, 01223-841842).

Since the fall of communism eastern Europe has been undergoing a metamorphosis and can offer holidaymakers a wide choice of experiences. Over these two pages, our travel writers discover this 'new' world, starting with **Nick Haslam** who returns to Poland to see the change

A country song to suit the times

The trill of notes from an accordion awoke me from my reverie and I looked around. Oo the back seat of the bus, a travelling folk group had unpacked their instruments and were tuning up. With a crash of tambourines, they swept into action.

Punctuated by a drum wedged in the aisle, the tempo slowly grew and then the plump girl with long russet hair started to sing.

Her voice resonated through the bus, and soon, everyone, including the driver, joined in. Beside the tree-lined road, the corn stretched away to a distant forest. A hurst of warmth swept through us all and it suddenly felt good to be alive that hot August morning.

We were travelling east through Mazuria, a wooded regioo of rolling hills and lakes, which straddles northern Poland just inland from the Baltic. I had visited this area last in the early 1980s when Poland was under martial law. Then, I had taken this same bus from Gdansk, happy to leave a city patrolled hy the fearful Zomo, a grey-uniformed militia rumoured to he recruited from the dregs of the state's overcrowded jails.

I had narrowly escaped a beating myself, in the city's old quarter, when a spontaneous demonstration erupted with crowds jeering protests against the military government. Within minutes, truck-loads of Zomo had blocked off the narrow streets, and started making random batoo charges into the crowd. Like rabbits we scuttled for safety, running through the streets, and escaped the cordon only hy diving through an abandooed graveyard.

But this morning, it had been a wrench to leave Gdansk. The city has recovered its glory as one of the oldest ports on the Baltic and the medieval quarter is full of echoes of a more noble past. The huge buttressed churches, neglected during communism, have heen restored and their high steeples and gilded cupolas fluttering with flags return to the city its ancieot skyline.

As the bus went deeper into Mazuria, bronzed groups of students, clutching tents and guitars, boarded the bus. We swung through small villages, deserted under the hot sun, catching glimpses through trees of broad water dotted with sails. Joined by canals, the lakes form a natural waterway more than 100 miles long, and many Poles speod their summers meandering in canoes and small yachts through the area.

Lake Mragowo in Mazuria, once part of East Prussia: a touch of Germany in Poland — Nick Haslam

I got off at Mragowo, a small town with cobbled streets and market squares that I had last visited under martial law. Uotil the mid-1930s, Mazuria had been part of East Prussia, and its towns and villages still have a strong German atmosphere.

But oow something was amiss. The streets were festooned with hanners, and crowds of young Poles wearing what surely could only be cowboy hats wandered along the footpaths. Bewildered, I found someone who spoke English. "It's the Country Piknik Festival," he said, wide-eyed at my ignorance. "Poland's biggest country and music festival." I groaned inwardly. So much for a pleasant couple of days swimming and reading by the lake.

I checked in at the hotel Mongrowo, elbowing my way to the reception desk through television crews interviewing Polish country stars complete with stetsons, tasselled buckskins and spurs. Below my window, a bikini-clad group practised square dancing, and the sounds of bands rehearsing echoed out across the lake.

But that night, among the crowds at the concert, the enthusiasm was infectious. Poles are hospitable people, and I was proffered vodka by my neighbour and his wife.

Jurek chortled when, during a surprisingly good renditlon of a Johnny Cash song in Polish, I asked him if there wasn't something a little incongruous about it all. "We Poles always like things American," he said, "and country music is about ordinary people – abandoned loves, unemployment and so on. It's the right music for our times."

At one, the last band played a final encore to ecstatic applause, and we rose to go. The vodka bottle was empty, and the stars suddenly lurched over my head. Swaying slightly, I said goodbye to Jurek who, with a lopsided smile, balanced unsteadily on his wife's arm. Picking my way carefully through the crowds, most of whom seemed to be in a similar condition, I weaved my way to the hotel.

Next morning, the lakeside looked like a battlefield. Graceful Polish girls, like dryads, tended to their menfolk, recumbent in the shade, poleaxed by hangovers of the night before. I, too, sheltered behind sunglasses and gingerly climbed aboard another bus, heading east again.

That evening, I joined friends at a cottage on the fringes of the Augustow forest, one of Europe's largest, which stretches away to the border with Lithuania and Belorus. Polish foresters rent out rooms in the summer to supplement their earnings from the state, and my friends from Warsaw had been coming here for the past three years.

That night, we sat in the garden under the stars, listening to owls screech from the forest surrounding the timber house. In winter, wolves roam its deserted stretches, but Gregor, the young forester, was sanguine about the dangers.

"Wolves haven't attacked anyone here for years," he said. "The biggest problem here is getting lost." My friends laughed ruefully. Last year, a wrong turning had turned their afternoon stroll into a marathon and they had spent most of the night wandering the many paths before Gregor found them in the small hours.

Not far from the house, the Augustow canal carves a straight line through the forest to the border. It was built in the middle of the 19th century and, until the 1950s, timber was taken out of the forest in rafts towed by ponies. In the cool of morning, we piled into a large canoe, and set out along the canal to a deserted lake, where we spent the day on the sandy beach.

Paddling back that afternoon, we passed family groups in kayaks laden with camping gear and I asked my friend Bolek why Poles have such a love for the countryside. "Historically," he said, "there was never much of a middle class in Poland. We had our aristocrats, and the rest were peasants – that's why we all head for the woods when we can." A high-ranking civil servant, he was not looking forward to returning to the stews of Warsaw the following week.

The next morning, I too felt a twinge of regret as they waved me off from the country bus stop. That afternoon, they were off for two days' canoeing, while I would soon be boarding the flight home to London and work.

■ *Nick Haslam flew to Warsaw courtesy of LOT. Tel: 0171-580 5037. Return fares start at £158. His itinerary in Poland was organised by Orbis, 82 Mortimer Street, London WIN 7DE. Tel: 0171-580 8028.*

■ *Information about accommodation in eastern Mazuria from the Bureau of Agrotourism, 16 400 Suwalki, ul. Kosciuszki 71 skr. pocz. 76, Poland. Tel, Fax: 00 48 87 66 54 94.*

Cultural visions in Barbados

The Great Bear hangs over the flamboyant trees in the clear sky of the Barbados night and in the parish of Christchurch the air throbs to the beat of *I Shot the Sheriff* on steel pans. But up at Holders House in St James a fragile *geisha* scans the horizon for the ship that will bring her American husband home, and a rapt audience feels an apprehensive thrill as she sings *Un Bel Di Verremo*.

Barbados is not the first place yon would expect to stage a season of opera, Shakespeare, cabaret and sporting events, yet this is what comprises the Holders Season. In just three years this festival, held around Easter, has become established and is growing, combining serious professionalism with *joie de vivre*.

Anyone who was at *The Marriage of Figaro*, the first opera pnt on at Glyndebourne in 1934, or who attended Edinburgh's inaugural festival in 1947, will have experienced the stont Cortez factor – tha excitement of being in at the beginning of a phenomenon.

It is not simply that the performances are staged out of doors in the natural amphitheatre of Holders, an old plantation house, but that it is so intimate. Up to 500 people can attend any one event and with the cheapest seat (around £7 for Shakespeare) a quarter of the price of the hig international cricket matches, the season is affordable.

Some events are free, such as the one-day cricket match at the Holders Hill ground during the 1995 season. Former cricketers Sir Clyde Walcott, Everton Weekes, Richie Benaud and Sir Gary Sobers joined an enthusiastic crowd, some armed with conch shells, at a pitch so tiny fast bowlers have to cross the road to run up to the wicket. A mild-looking man in a baseball cap was most attentive, for the Holders Hill XI were playing his team, the John Paul Getty XI.

Just as star-studded was the pro-celebrity tournament at the Royal Westmoreland Golf Club, which attracted Brian Lara, Nigel Mansell and Geoffrey Boycott. In a number of smart hotels along the west coast, piano recitals and cabaret were held for the less sportif.

The season is big in ambition, small in scale. There are no lighting towers, no concrete walkways, just some chairs in a garden, a few refreshment tents and the illumination is provided by highly trained clusters of fireflies.

Committees do not create festivals. Their existence is usually owed to people with *more vision than sense* – in this case Wendy and John Kidd, whose house is the principal venue, and Richard Hanlon, executive producer, who abandons the UK every year to devote himself to Holders Season. Together they have managed to get the festival off the ground, and while Dama Nita Barrow, governor-general of the island, is its patron and the Barbados Tourism Authority has provided support, it is essentially operating on a shoestring.

The 1996 programme includes *Tosca* and *The Mikado*, directed by Holders veteran Christopher Biggins, with Nichola McAuliffe, the 1995 season's Kate in *The Taming of the Shrew*, returning in *Twelfth Night*. There will also be drama, cabaret, golf, cricket, polo, a masked ball and the last night gala will be A Tribute to George Gershwin.

The guardian angels of the Holders Season are determined to preserve the unique nature of the festival, but there is a rumour that the 1997 season will feature Pavarotti. If that is confirmed, his presence will catapult the season on to the world stage, which may prove to be a mixed blessing.

■ *The fourth Holders Season runs from March 9-30. To book, either make arrangements through your hotel or use the Holders booking line: Tel: 001 809 432 6383; Fax: 001 809 432 6461. Barbados Tourism Authority Tel: 0171-636 9448/9; Fax: 0171-637 1496.*

Margaret Hickey

Bulgaria

Mysteries of Orpheus still exert their pull

Who remembers John Bloom? Those who participated in the collapse of his washing-machine empire, presumably. Also a few who bought a holiday at a Bulgarian resort, a place with an unpronounceable name in a region they had probably never heard of.

In the 1950s, Bloom foresaw a demand for cheap foreign holidays. So the British capitalist joined hands with the sternest socialist regime outside the former Soviet Union to operate package tours by air from London, via Zurich, to beaches on a nearly tideless sea.

Bloom eventually went bankrupt, but BalkanHolidays survived and went on to become Bulgaria'e economic salvation and biggest foreign currency earner. In 1965 – the date of my oldest brochure – a fully inclusive fortnight at Slunchev Bryag (Sunny Beach) or Zlatni Pyassatsi (Golden Sands) cost £35, the round trip of more than 3,000 miles thrown in.

Once there were six British airports serving the Black Sea resorts in summer and holidaymakers were flocking in from all over Europe. In the 1960s the hotels practised segregation. There was the British citadel, the Austrian *schloss*, the Turkish *khan*, the Russian camp and so on.

Apart from receptionists, waiters and camel-ride concessionaires on the sands, visitors met no Bulgarians. As the summer populations increased, the grassy airstrips became proper airports. Holiday-makers could hire ponies and bicycles, eat in ethnic restaurants – the Sheepfold, the Watermill, the Khan's Tent – and were entertained by cabarets and dancing bears. They also acquired a taste for white jam, Turkish coffee and Melnik wine at a few pence a bottle.

While the sand and the sea could not be faulted, and the diet was healthy enough (Bulgaria is the salad bowl of Europe and the cradle of yoghurt), accommodation in the colour-washed concrete hotels was basic. They all offered one bed, one shower, one tiny balcony and one deckchair a customer and no frills in the decor. Conversations generally turned on the shortcomings of the plumbing and the electrics.

Waiting to land over Varna or Bourgas today offers an opportunity to see what has become of the Black Sea shore. Albena, with its high-rise resorts in ziggurat formation, is prominent. The pale sea supports armadas of rowing boats, sailboats, excursion launches, water-skiers and water-parachutists. A white cruise liner is docking.

Japanese and Belgian consortia are involved in hotel developments all over Bulgaria. There are many out-of-season conferences held on the Black Sea as the rates are cheap and the weather always fair. But the new sophistication of the resorts has been achieved at the expense of the old self-deprecating simplicity.

The resorts are useful touring bases for a land where cultures, like the scenery, clash. Bus excursions are good value, although passengers complain they are shown too much in too short a time. Air trips can be combined with the buses: we flew from Varna to Sofia in an hour and took three days to return in a sightseeing bus.

Albena resorts: high-rise hotels on the Black Sea can offer a good base for touring Bulgaria — Leslie Gardiner

Cheap by western standards is the personal guided tour in your own car, a self-drive car or a chauffeured car. Most of the country is accessible by car, the east-west motorways (which embrace the E5 Istanbul-Sofia-Belgrade highway) are never congested and the old curse of the independent traveller – the need to use only Balkanturist hotels and to book them days in advance – has been lifted.

With a driver and a guide, Stefka – young, pretty, no-nonsense – we embark at Bourgas in a Volga saloon and head for the Orpheus country, whose mythology Bulgaria shares with Greece.

Ours is a roundabout route, for this is a roundabout country, and we stop to inspect some ancient fishing harbours. With a cargo of market women and live hens, I take a black high-prowed boat similar to those favoured by the sturgeon fishermen in the Danube delta, over the navigable length of the Ropotamo river. Stefka, meanwhile, is shopping at Primorsko. The gap between breakfast and lunch is filled with halva, walnuts, apples, biscuits and *banitso*, a hot flaky pastry, dripping with cheese and onion.

Night falls in the Rhodopean Mountains. We drive under the Orpheus Rock, where the legendary instrumentalist, looking back, lost Eurydice. My guide book says that Orphic mysteries still condition the lives of the *montagnards* who live here. But there is no hint of these mysteries in our hotel at the ski resort of Pamporovo, nor in the cloisters of the Bachkovo monastery on the road to Plovdiv.

Next evening we end up in a poor village with one thoroughfare that is the quicksand of a mountain stream, crossed by a rope bridge. It is the only time on this trip that we find neither inn nor eating house. We dine on cold sausage and raw cabbage and are given three mats to sleep on in the same room.

Later we are joined by two lead miners and an old wolfhound. Everyone snores, none more loudly than the dog. In the morning, I drink a glass of red wine with our bedfellows, and promise to convey fraternal greetings to the lead miners of Britain.

Several huge towns are marked on the map of southern Bulgaria, but they turn out to be timbered villages clinging to cliffs. It is mostly desolate country with drowned valleys, pine forests and a rock tunnel for the road. Tourism, so energetically promoted on the coast, is neglected here. But the roads are much improved. I reflect that long ago no track was wide enough to allow two donkeys to pass, and it was in these hills that Helen Stone, a missionary, was held for six months by brigands until ransomed by the Turkish government.

The car drops me at Razlog station. I am to be picked up again at Plovdiv. Three small green coaches, one of them reserved for nursing mothers, stand in a toy railway siding. My ticket, a torn-off scrap of paper with indecipherable scribbling on it, is for the most exciting miniature railroad in Europe.

The track descends 75 miles through the Pirin Mountains to its terminus at Septemvri, a station on the Orient-Express route in the vale of the Maritsa. It was completed at huge expense and with some loss of life in the 1930s, during the reign of a notorious railwey buff, King Boris of Bulgaria. The gauge is 74cm, narrow even for narrow-gauge, but the gorges and rock-shelves will not carry anything broader. Extra-steep gradients, extra-sharp curves, countless tunnels and viaducts lead the single track through a conservationist's paradise of wildlife, tree and shrub.

We make only two stops, at Jakoruda and Velingrad. The first is deep in minority-Turkish territory in a sunless valley under the snows of 9,700ft Moussala, which used to be known as Stalin Peak. Velingrad is e spa town of the high pastures with hotels, bungalows and a snow-water lake.

At Septemvri the Plovdiv Express is ready to leave. I wave goodbye to the conductor of the train with the small red diesel and make a mental note to do the return journey one day. It costs about £3 and takes you halfway across Bulgaria.

Leslie Gardiner

Eastern Germany

A glorious past rediscovered

A lot of jokes are mada about Cristo, the Bulgarian wrap-up artist, in the old East Germany. Throughout Saxony yon see town sqnares half-shrouded in scaffolding and plastic sheeting. "As you can see, he didn't only go to Berlin and wrap up the Reichstag," the locals say.

At first glance, Saxony was a daunting prospect. A fearsomely complicated history: a string of margraves, landgraves, dukes and elector-princes who ruled ever-shifting principalities; renaissance, baroqne, rococo historicist, *jugendstil* and *bauhaus* architecture; and then a string of cultural heavyweights including Lnther, Bach, Goëthe and Schiller, Wagner and Liszt.

But they begin to come alive once you see them. I arrived in Dresden, the Saxon capital. The story of the fire-bombing during the second world war is well known, with figures of 85 per cent destruction. Yon might think thet nothing remains of the original city, that it was concreted over in a post-war rush of brutalist optimism, making it an assembly of ugly tenements. While the romance of the old central European city is lost, the clutch of old palaces and monumental buildings along tha Elbe has been restored so there is an impression of the capital as it once was.

"Look np, look up," they say, when visiting a city. Dresden positively drips with statuary. The Swinger, the early 18th century orangery and royal pleasure ground (also considered Germany's finest high baroque building), has a soaring host of cherubs, eagles and angels.

The Semper opera house and the Catholic court church (some elector-princes of Saxony were also kings of Poland and Roman Catholic) are fringed with great Saxons, set in blackened sandstone.

The royal line itself is depicted by the Fnatenzing, a 300ft ceramic portrait (made of Meissen porcelain) on the walls of the *schloss*.

The most impressive feature of the Dresden skyline, as immortalised by Canaletto, is the Franenkirche. With the help of computerised technology, it is slowly being restored to its former domed and pinnacled baroque shape.

About 10,000 original pieces of stone are lined up waiting to be reassembled,–and it is due to be completed in 2006.

After the footslogging it was pleasant to stop on the Brühl Terrace, or the Balcony of Europe as it was called, which overlooks the River Elbe. The Saxons are great coffee drinkers. So I took some time out in a café to watch them, to the strains of Mozart played by a violin duet of buskers.

The Saxons are welcoming to visitors. They travel well, apparently. Like the Scots, you will find them all over the world. They are good Germans, too, with an exact and slightly stern formality, behind which lie twin strains of self-donbt and beer-drinking robustness.

As with national stereotypes, it is always fun looking at traditional enemies. In Saxony there is an excited competitiveness vis-à-vis the Prussians, their "arrogant and self-opinionated" neighbours to the north. In turn, the Prussians consider the Saxons dumpy and slow, their language *plump* (ungainly).

During the communist years the Saxons got by (another trait), but they are on more even ground now that things are not centrally run from Berlin. And it was in Saxony that tbe fall of East Germany started – in Leipzig.

Leipzig was not a capital city, but it has always been a city of trade. Since the collapse of the Berlin Wall, 130 banks bave moved in. Many buildings not already restored are under shrouds.

The pattern of the medieval town was more visible here, with the tall buildings enclosing the old market square. I followed a sweep of magnificent trading-houses leading to the old City Hall – baroque, rococo, *bauhaus*, neo-renaissance, communist.

It was not only Goethe's statue that was so playfully illustrative. Pictured by the same sculptor, Bach stood between St Thomas's Church and the museum dedicated to him, a button undone on his waistcoat for carrying scores while condnctng and his pocket turned out to show that he was permanently short of cash.

Leipzig has always been a cultural centre and tha cafés and bars are reappearing elmost as fast as the banks.

The most pronounced differences between the old East and West Germanys are in the country, which seems to have been locked in a time-warp for 40 years. Driving ont I passed throngh rolling land with farms and forests, all with a certain pastoral and lazy peace.

A surprising effect of the near-mystical history of the principalities is the number of small capital cities dotted around the area.

I came to Eisenach, Rudolstadt and Gotha, which had their own castles, courts and moonmental buildings. Bnt the best knowu is probably Weimar, which lies in the state of Thüringia.

Weimar bad its golden classical age (Goëthe, Schiller and Herder) and a silver age (Liszt), there was a string of grand dukes, Nietzsche, early *bouhaus* and, of course, the proclamation of the Weimar Republic.

Now there are libraries, galleries and regional museums, all set in the grand old buildings and parks of a pretty German town. Weimar has been chosen as the European City of Culture for 1999 and is gearing np for a renaissance.

■ *The writer flew with Lufthansa. Lufthanso Tour offers o variety of packages to the area (tel: 0171-290 1111). For further information contact the German Notional Tourist Board (tel: 0171-493 0080).*

James Henderson

Looking up in Dresden: a restored city dripping with statues — James Henderson

Meissen

In search of the white gold

As long as I can remember, there hava been some slightly distressed, though elegant, old china cups and saucers in the cupboard at home. "Porcelain from Meissen," I was always told, in an air faint with reverence and myetery; blue onion pattern; you can tell by the crossed swords on the bottom.

So it was a fine thing to have the opportunity to visit the town and to tease out tha mystery.

Meissen is a pleasant enough place, a little parochial bnt quiet and attractive. A medieval quarter stands on a lump on the banks of the river Elbe, dominated by cathedral towers and the white Albrechtsburg castle facade. Cobbled streets lead down to the old town square and its baroque buildings: the 19th century fills out the valley floor with tight streets and tenements and then the 20th culminates in an encrustation of brutalist concrete.

Looktug around I could not imagine that Meissen was ever a wild place. Instead, its self-assured, rather senior air suits its twin specialities: porcelain and wine.

In fact, Meissen was the earliest Saxon capital, founded in 929, a defensive link on tha frontier with the Slavs. But it was soon rejected for lack of space and tha ruling Wettin family moved to Dresden. Its wine was first mentioned in 1161 but it was only in the 18th century that it became important again, when Augustus the Strong, the father of modern Saxony, made Meissen the home of the famous porcelain.

In 1708 Augustus's alchemist, Boettger, discovered a way to make fine porcelain for the first time in Europe. It was so valued that it became known as "white gold". In order to keep the secret of the process, Augustus located the works in the Albrechtsburg Castle. The ploy succeeded for a while, although it was not long before the secret got out. In an early piece of industrial espionage someone nipped off with it to Vienna.

The modern porcelain works lie in a side valley in the town, marked by the famous blne crossed swords. I began with a factory tour, through creaky-floored rooms where throwers, repairers and painters ran through their daily routine.

Tha clay, which is very white and almost iron free, is mostly mined just outside Meissen itself. Before us it was turned and then moulded into cups and jugs; figurines were assembled from smaller moulds – "repairers" actually fashion originals rather than repair them – flowers, hands and flowing robes were pressed individually and then stnck neatly together before initial firing. After the first firing at 950°C, the famous blue crossed swords are painted on.

Meissen porcelain is still painted by hand, on a pattern created by dusting charcoal over e tracing eheet. There are supposedly 10,000 shades of colour at the factory (guarded with great secrecy), bnt the best known is the "cobalt" blue of the blue onion pattern.

> Looking around, I couldn't imagine the town was ever a wild place

The factory museum has the most extensive collection of Meissen porcelain in the world – 20,000 pieces, of which 3,000 are visible at any time (when they are not downstairs for copying).

Vast peacocks and huge ornate vases with whole hunting scenes in relief stand on pedestals and there is the 2,000-piece *Schwanenservice* (the Swan dinner service) made for the Saxon prima minister, the Graf von Brühl.

There are many Amoretten, figures of love, but some of them with an unlikely, brutal twist: a cherub caught in a man-trap, a cherub uniting two hearts – not with an arrow, but in a vice.

Downtown, within earshot of the *glockenspiel* (Meissen porcelain bells, naturally) in the Frauenkirche, is the Vincenz Richter restaurant, set in a half-timbered, steep-roofed town house which was originally built in 1533 as the clothmakers' meeting-house.

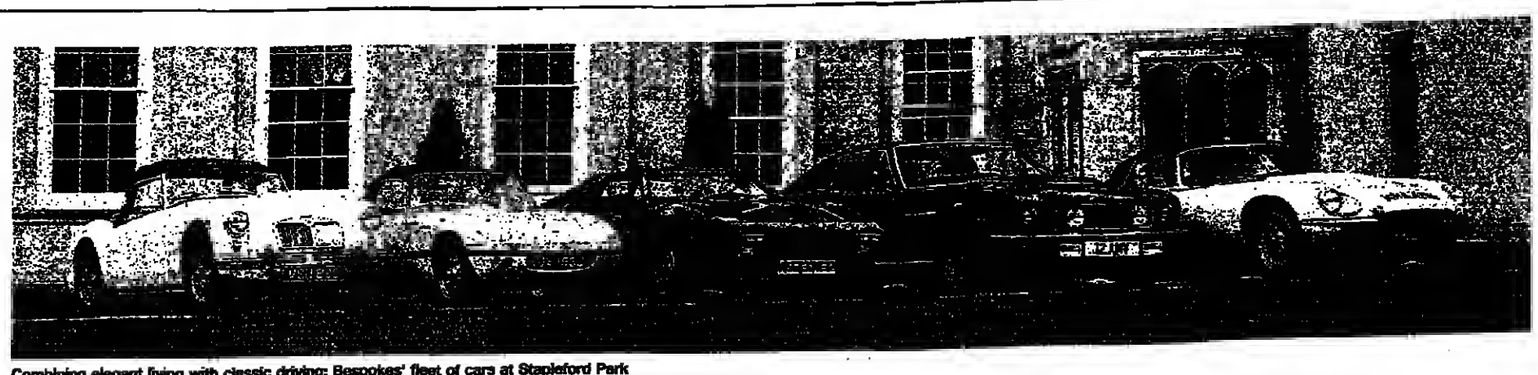
Like the clothmakers, the owners of the restaurant have their own vineyard and use the wine in their dishes. I had a wine soup (their riesling mixed with cream and the yellow of an egg), which was light and slightly tart and then, after e wholesome Saxon meal of duck breast and potato dumplings, I finished with an excellent *Weincreme* (wine, whipped cream, egg and sugar).

It seemed a natural question to ask: was I dining off Meissen tableware? I turned the plate over and had a look for the crossed swords. Not the proper way to do it.

The owner tells the story of the Queen of Norway's lady-in-waiting, who was equally curious. But rather than turn the plate over, she lifted it and used the back of a spoon as a mirror. She was right to suspect because it was not the genuine article.

James Henderson

TRAVEL



Combining elegant living with classic driving: Bespokes' fleet of cars at Stapleford Park

Loud and fiery in a Ferrari

It was a typically grey winter weekend in Leicestershire but the sun was shining inside the red Ferrari.

Like many middle-aged men, I was itching to drive one. There is something intoxicating about a Ferrari: the absurd cost, the loud colour, the assertive lines, the spartan interior and, above all, the sense of raw mechanical energy. In the 1970s I had gone to Maranello in the rich plains of central Italy to see how these dream cars were built but never got to sit in the driving seat.

So 17 years later it did not take much prodding to head north to Stapleford Park for a weekend of classic sports cars and a drive in a 1984 Ferrari 308 GTS.

The stately home in the heart of Leicestershire's hunting country was converted into a grand, if somewhat eclectic country house hotel by the late Bob Payton, the larger-than-life American businessman who made his money with the Chicago Pizza Factory fast food chain.

Its rooms are decorated by leading interior designers such as Nina Campbell, and and among its sponsors are Coca-Cola, IBM, Rover and MGM.

English tradition and Hollywood have combined to create a relaxed yet elaborate environment.

You dine on "Pacific Rim" cuisine in a fine panelled room in froot of a huge log fire; there are American cookies in a jar oo the bedside table: and Stilton and Madeira in a crystal decanter on the coffee table. Guests can join the local hunts (The Belvoir, The Cottesmore, The Fernie or The Quorn), play tennis, shoot clay pigeons, or, as the note said oo my pillow at night, join the Meet of the Per Ardua Beagles.

"I haven't come for horses or hounds but to drive a Ferrari," I told Mark Scott, the hotel manager, who was about to set off on a morning trot.

The Ferrari was waiting in froot of the house next to a primrose yellow E-type. They had just arrived as part of a new venture betweeo the hotel and a north London biscuit and ice cream entrepreneur, who recently launched a self-drive classic car hire company.

The deal involves two nights' stay and the use of a classic car.

Mario Budwig has always loved classic cars. "I've always driven classics as my every-day car since I started driving 19 years ago," said Budwig, who runs the Millie's Cookies and Baskin-Robbins ice cream parlour businesses in the UK.

His classic cars veoture, called Bespokes, seems to have taken off with a bang. Launched last May, the company soon expects to have £500,000 worth of cars in its fleet.

In fact, Bespokes has two fleets. The principal fleet, with classics ranging from the Morris Minor Convertible to Ferraris and Aston Martins, is for long-term hire as an alternative to company cars.

The initial success of this business persuaded Budwig to develop a second fleet for short-term hire. He felt there was a big market of people worried about the cost and hassle of owning a classic but dying to drive one.

At Stapleford Park he is offering six cars: a Jaguar 3.8 Mk2, an MGA convertible, a Lotus Elan Sprint, a Jaguar E-type V12 convertible, an Aston Martin V8 and the Ferrari.

"Do you know the Ferrari?" asked Jenny Smith, one of Budwig's associates, as she handed me the keys. "Well, yes and no."

I sooo discovered it was distinctly no as I tried to put the car into first. The gears on a Ferrari – as everybody should know – are different. First is where second is on any ordinary car. I quickly read the printed ootes I was given on how to drive the Ferrari. Second gears are always difficult to engage when the gearbox is cold, I read. Forget second and go straight into third. I was told.

The big moment had finally come. The roar that filled the cramped cockpit when the engine started was like a shot of morphine. Even crawling out of the drive, the physical and mechanical sensations were extraordinary. The nose pointed to the ground ready to sprint off like an Olympic runner. Out of the gates, the car bombed away, gripping the tarmac. In seconds I was doing 80mph on the country road, dipping and swerving like a slalom skier. It gave that sensual thrill of living life on the edge – or at least on the edge of the speed limit.

It was not much fun in the market towns. The car was clearly bothered by traffic. It stalled if not revved. It brought dirty looks from pedestrians clutching their Saturday shopping bags. Policemen looked suspicious. Little boys were impressed.

The car provoked extreme reactions. On a narrow lane, a middle-aged country woman driving an ungainly Mercedes refused to give way and forced me on to the muddy grass embankment.

A few seconds later a pick-up truck stopped to let the Ferrari go past. The driver smiled, admired and did a thumbs-up. The workers are the real aristocrats when it comes to cars.

The next day I drove the yellow E-type down the same lanes and the reactions were notably different. No aggression, no antipathy, no visible envy. Instead, warm sympathy and admiration for this great classic of the 1960s. Children and their parents lingered around the car when it was parked in town. Other drivers flashed their headlights in appreciation. It was a sweet car to drive and painless.

As for the Ferrari, it was another story. After only four hours of it, I had to go straight to bed. Frankly, it's a second car.

■ *Stapleford Park and Bespokes are offering classic car weekend packages during February and March with prices starting at £635. Details from Stapleford Park, near Melton Mowbray, Leicestershire LE14 2EP. Tel: 01572 787522; fax: 01572 787651.*

Paul Betts

ESSENTIAL HOTELS BROCHURE GUIDE

ORDER FORM

Please enter the appropriate number for the hotel brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received **no later than 30 March 1996.**

1. The Swan Hotel	☐	10. Hotel Los Monteros	☐
2. Hell Bay Hotel	☐	11. Riber Hall	☐
3. The Clifton Hotel	☐	12. The Berry Head Hotel	☐
4. Lythe Hill Hotel	☐	13. Island Hotel	☐
5. Alexander House	☐	14. The Polurrian Hotel	☐
6. St Brides Hotel	☐	15. The Halkin Hotel	☐
7. Blakeney Hotel	☐	16. The Bay Hotel	☐
8. Highbulleo Hotel	☐	17. Atlantic Hotel	☐
9. *London Elizabeth Hotel*	☐	18. Executive Hotel Reservations	☐
		19. St Moritz	☐

TITLE ..... INITIAL ..... SURNAME.....
ADDRESS .....
.....
POSTCODE .....
DAYTIME TELEPHONE ..... FAX .....

WEEKEND FT ESSENTIAL HOTELS BROCHURE SERVICE

(Ref 03/96) Capacity House,
2-6 Rothsay Street, London SE1 4UD.
Fax No: 0171 357 6065

The information you provide will be held by the Financial Times and may be used to keep you informed of FT products and by other selected companies for mailing list purposes. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southwark Bridge, London SE1 9HL. Please tick this box if you do not wish to receive any further information from the FT Group or companies approved by the FT Group. ☐

Eating Out / **Nicholas Lander**

Sushi at a price you can afford

London's Japanese restaurant scene has some welcome new additions

One of my articles on this page in November 1989, about Japanese restaurants, was headlined: "Light, healthy, exciting: a cuisine for the 90s." But I failed to heed my own advice. I should have put my money where my mouth was seven years ago and opened my own Japanese restaurant.

Many others have. The list of central London Japanese restaurants which I obtained from a contact at the capital's Japanese embassy is more than 30 strong including such long-time favourites as Asuka, NW1 (0171-486 5026) and Defune, W1 (0171-95 8311). The list is growing quickly with a second branch of the innovative Moshi Moshi Sushi – where you take your sushi off a conveyor belt – now open in Limehurner Lane, EC4 (0171-248 1808).

In Greater London there are more than 70 Japanese restaurants and the possibility now exists – almost unheard of five years ago – of having a TV supper with *sushi, sashimi* and *yakitori*. Last week GEN Catering dropped a *sushi* takeaway leaflet through our door (0171-431 4031 for north London readers, 0171-610 2120 for south Londoners).

Health aside, there are several reasons for this popularity. Japanese dishes are more suitable as takeaway food than the Indian and Chinese dishes we usually associate with home deliveries. They are predominantly cold, well-moulded and their flavours do not deteriorate if they are not eaten immediately.

As the Japanese way of life has seduced more westerners, many have returned with alternatives to the expensive meals that were considered the mainstay of the Japanese way of life. Abeno (0181-205 1113) in the Yaohan Plaza, NW9, which specialises in *okonomiyaki*, a type of omelette, is one example.

Yet it is economics and ergonomics which are the most decisive factors. Japanese cafés, including the good value, rather spartan Japanese Canteen, 394 St John Street, EC1 (0171-833 3222) and other noodle and sushi bars are being opened in locations other restaurateurs would shun.

In the West End, the Soba Noodle Bar at 38 Poland Street, (0171-734 6400) next to Marks and Spencer, and the Cafe Igirisuya, 7A Hanover Square (0171-629 4361), offer food of a quality in inverse proportion to their small size.

Their success is shared by Nippon Tuk in SW3. In spite of its proximity to such popular restaurants as Bibendum, Daphne's and La Brasserie, Nippon Tuk has the highest turnover per sq ft of any restaurant I have visited. In an area of 310 sq ft, five staff are employed, none of them Japanese; there are a mere five tables but turnover this year will reach £250,000.

The restaurant was conceived while Michael Heycock, who ran a Japanese restaurant in Wales, and Jeremy Rose were having a drink in a pub and wondering what to do with the site that had been Mrs Rose's jewellery shop. The name came in a flash one day at 5am; Rodney Fitch did the logo and three months later, with £26,000 garnered from friends, they were in business.

Their attention has gone into the food and the design, such as the platters made from Welsh oak on which they serve sparkling *sushi* and *sashimi*.

Simply sushi from Nippon Tuk: cheaper Japanese restaurants are mushrooming in central London

Nippon Tuk has a phone and fax for takeaway orders; a rice boiler; knives and mats for rolling the sushi; three fridges; a small stove for cooking omelettes; a large kettle to heat the water for soups and noodles; a fan to cool the rice and three sinks. The largest items I saw in the kitchen were the boxes of polystyrene cups for takeaway noodles and soup. The total cost of equipping this particular commercial kitchen was £8,000.

"We don't actually cook anything on the premises," says Rose, "the miso soup and the noodles come in dried form. They are the best we can buy. What's important is that they taste good and are free from additives, in particular monosodium glutamate."

He added: "We're very busy in the evening with a cosmopolitan crowd filling the tables and coming in for takeaways, although we don't get many Japanese — perhaps because we're relatively inexpensive. But when lunch remained quiet after a few months I went looking for customers."

He found several nearby bars and cafés which Nippon Tuk now supplies with *sushi*. Rose came upon the most suitable outlet last November when he opened a takeaway *sushi* and *sashimi* bar within Robin Birley's Sandwich Bar in Canary Wharf, E14 (tel/fax: 0171-512 9282).

Every morning Nippon Tuk in SW3 produces 50 boxes of *sushi*, 15 boxes of *sashimi* and the raw ingredients for soup and noodle dishes which are taken across London to hungry City workers in a refrigerated van. By 1pm they are generally sold out.

Rose is looking for other franchising sites to spread the Nippon Tuk name in a strategy that is a mixture of commerce and altruism.

He says: "The most satisfying aspect of serving healthy, Japanese food is that you can go up to your customers after they've eaten and instead of having to ask them, 'Did you enjoy your meal?' you can quite confidently ask, 'How do you feel?' Without sauces or an infusion of cholesterol, they invariably feel invigorated."

■ *Nippon Tuk, 165 Draycott Avenue, London SW3 1AJ. Tel: 0171-589 8464, fax 0171-589 8465.*

Cookery / **Philippa Davenport**

Earl of Sandwich's great legacy

When the gambling John Montagu, fourth Earl of Sandwich (1718-1792), demanded a meal he could eat with one hand while maintaining a full house in the other, I am prepared to bet he had no idea quite how popular the type of food that is named after him was to become.

The sandwich is a national institution in Britain, loved, hated and to be found in a million and one guises from daintily crustless vicarage tea party cucumber triangles, to overfilled triple deckers.

The sandwich is to the British what madeleines were to Proust. My own particular favourites down the years betray distressingly rough-cut greed rather than refined tastes. I have not recently eaten a sandwich made by clasping together two pieces of fried bread with a smear of marmalade, but I associate it with some of my happier convent school days. Comfort was similarly to be found in bacon sandwiches, a lustier confection than the American BLT, made on the pitta principle.

A doorstep of bread is toasted lightly, the crust along one edge only is cut off, a knife tip is inserted into the soft crumb thus exposed and the blade is wiggled around to create a pocket into which you then stuff plenty of crisply grilled streaky bacon together with the melted pan fat (no tut-tutting or cholesterol counting, please), a slice or two of tomato and a leaf or two of lettuce. Do not overdo the saladings, however, and add an optional dollop of mayonnaise. Sometimes you may find it more satisfying to forget the veg and mayo in favour of a generous spoonful of peanut butter.

Other body-building meals recommended for those with substantial appetites include bookmaker's sandwich (top quality beefsteak grilled until rare, clamped between two crusty heels of bread with a dab of mustard, wrapped, over-wrapped, tied with string and put under weights until the meat is cold and the juices have seeped into the crumb) and a robustly fishy *pan bagnat*: tuna, anchovy, black olive and other salad Niçoise ingredients packed in crusty bread.

On a more sophisticated note, I have a particular affection for nanny-thin wholemeal bread and butter wrapped around smoked salmon, lemon and watercress. Such sandwiches are for me quintessential pre-curtain-up food, dating from the theatre parties of my childhood when men wore black ties and women glowed in black velvet with the whiff of an exotic orchid or gardenia pinned to the shoulder.

I hanker regularly, too, for old-fashioned open sandwiches, not the cold Scandinavian sort, but our own hot versions that used to be listed on the Friday menu of the Kardomah Cafe under the heading of Savouries and Things on Toast. Buck rarebit and soft herring roes sautéed in butter or poached in wine are prime examples. So are mushrooms stewed in cream until the liquid is reduced to a sticky veneer.

Nostalgia is only part of the sandwich story. Since the big business lunch was given the chop, the democratic sandwich has become bigger and bigger business. Now it is a mega-buck market with half the nation estimated to tuck into sarnies every lunchtime.

Wicker basketed self-employed sandwich-makers tout their wares in office blocks and new sandwich bars are springing up like mushrooms. Most high street chain stores, from Boots to Marks and Spencer, stock a selection of sandwiches. Even sweetshops and newsagents carry some.

The sales appeal of various fillings and different types of bread are studiously assessed. Slow sellers are deleted, trends predicted and new lines are brought in weekly. Plain chicken is a no-no. It must be chicken tikka or chicken that. Tomato has updated its image. Out goes a slippery slice as an additional ingredient. Sun-dried bits in the bread set cash

tills ringing more merrily.

The latest gimmick is the tie-in, and the sandwich that its creators hope will become the biggest hit since sliced bread is – wait for it – the Cézannewich, a recipe cooked up by the Tate Gallery and the Pret à Manger snack bar chain to coincide with the Tate's Cézanne exhibition. A designer sandwich for the cultured classes queueing all along the Embankment. Even if you fail to get in, you can enjoy a taste of it at Pret à Manger.

In fact, outside the Tate it is the hotdog vendors with trolleys belching the stench of stewed onions that seem to be feeding those that wait patiently in line to visit the exhibition.

Who decided on the Cézannewich ingredients, I wonder? Sun-dried tomatoes, basil and pinenuts may be native to Cézanne's homeland but how did mozzarella and avocado get in on the act? Pears figured often in the artist's still lives, but not avocado pears so far as I am aware. And though he depicted fruit frequently, like most Provençale men, he had a healthy appetite for meat, surely?

I suppose it boils down to marketing man's love of pizzazz and his refusal to forego potential sales to vegetarians. Never mind about the facts. Hitting the headlines and raking in the shekels are what count.

TWO-HANDED CHICKEN SANDWICHES

(enough for two very hearty appetites)

This is what I shall take with me to keep up my strength as I queue to try to get into the Tate.

2 sticks/lengths of French bread weighing 100g-125g each; 200g boneless and skinless chicken thigh meat (ready trimmed chicken thigh meat can be bought from some sources but I have yet to find ready prepared free-range chicken thighs so I prefer to trim the meat at home: 3 thighs will probably be needed to yield 200g of flesh); about 1½ teaspoons fresh ginger root; ½-1 chilli pepper, very finely chopped (optional); 6 spring onions (tender green parts as well as white) chopped; 2 tablespoons chopped green coriander; 2 teaspoons or more freshly squeezed lime juice; 3 teaspoons olive oil.

Bone and skin the chicken joints if necessary, and cut the flesh into strips the size of a young girl's baby finger. Toss it in 1 teaspoon olive oil.

Warm the remaining olive oil slowly in a sauté pan or wok with the ginger and chilli. Split the breads lengthwise.

When the oil is sizzling and aromatic add the chicken and stir fry for two to three minutes until tenderly cooked, adding the spring onions for the last 30 seconds or so.

Draw the pan away from the heat. Quickly add the coriander and season to taste with sea salt, black pepper and lime juice. Mix well and spoon the contents of the pan into the split breads, taking care to include every drop of pan juice.

Close the breads in so far as you can and serve quickly while hot, or wrap them tightly in greaseproof paper and foil for transportation. Saladings, such as cucumber sticks, whole cherry tomatoes and whitloof chicory leaves can be served on the side for the sake of vitamins. Large napkins are essential.

Lunch for a Fiver: update

Lunch for a Fiver 1996, the FT restaurant promotion run in January, is now at the stage where it resembles the Eurovision Song Contest – all the questionnaires are in and your votes are being counted. The Food and Drink page next Saturday will reveal the winners and the top 10 restaurants in each category and I will disclose from the many readers' letters which restaurants may have received "nul point".

■ *The Melting Pot* by Maria Kaneva-Johnson (Prospect Books £19.50, 384 pages), subtitled *Balkan Food and Cookery*, is a fascinating work. Few other cookery books begin with two pages of pronunciation and transliteration of eight different languages and then go on to a lesson in history and geography. After that it is on to 300 recipes, including carp stuffed with walnuts and light-as-air sweet fritters. A most unusual book.

■ No sooner had January ended than Easter eggs were prominently displayed in the shops. For those with children who for dietary reasons cannot enjoy milk chocolate, a company called Dairy Free and Diabetic Specialist Chocolates is offering a range of eggs and bunnies made from dairy-free, diabetic and carob chocolate. Tel: 0171-722 2866. Fax: 0171-722 7685.

■ Alastair Little, one of the most influential British chefs, has dared to buck a trend. While all around him restaurants get bigger, he has opened a mere 50-seater at 136A Lancaster Road, London W11 1QU. Tel: 0171-243 2220. Lunch £15 for two courses, dinner £20 for three courses. Open Mon-Sat for lunch and dinner.

Nicholas Lander

EDUCATION

Yippee: I've passed. David Neequaye celebrates results which send him to the London School of Economics

Paying for extra help

John Authers looks at the pros and cons of Easter revision courses

British education has recently discovered a big new selling opportunity – Easter revision courses. While the teaching profession takes its annual opportunity to tear itself apart at a series of seaside teachers' union conferences, many schools will this year take the opportunity to cram children in for an extra week or two of revision.

Ten years ago, even most of the traditional "crammers" – tutorial colleges devoted to informal but intensive work tied to A-levels – did not offer revision courses. These tutorial colleges are now the biggest players in tbs market, although there are several other entrants.

Two prestigious independent boarding schools also offer Easter courses, as do a few state-controlled further education colleges. There are also an increasing number of specialist operators existing solely to offer revision courses, usually in schools hired for the purpose.

There are several reasons why interest has increased. First, far more stress is put on A-level results. Overall results have improved dramatically since 1988, engendering a fierce debate over whether this is caused hy easier exams or improved edncational standards. This allows universities to be more demanding about A-level grades.

According to Davies Laing and Dick, a large tutorial college in Notting Hill, west London: "An offer of a place in return for three Bs meant you could still get in without much problem with two Bs and a C. Now universities are far less open to negotiation."

This has made revision courses relevant for more students. Nigel Stoute, of Mander Portman Woodward, another west London tutorial college, says: "When we started offering courses at Easter, we got most interest from students who thought they were in danger of failing. Now we get people who think they could safely get a B or a C without needing to work too hard, hut know that that won't be good enough."

The changes in universitles themselves have added to the pressure. The number of universities has almost donbled since tbe beginning of the decade, thanks mostly to the decision to up-grade the former polytechnics. However, this has had the unforeseen consequence of making employers restrict themselves to a smaller number of universities when recruiting graduates. Many say that it is no longer practicable to visit all universities, so they target a few of the greatest quality.

This makes candidates mucb more concerned to get into one of the better known universities. This is a list which goes considerahly beyond Oxford and Camhridge, but does not include all the "old" universities which pre-date the former polytechnics.

The hig-city "civic" universities dating from around the turn of the century, sucb as Birmingham, Manchester and Nottingham, in particular, are very popular, partly because students are attracted by the relatively low living costs.

The most popular universities are able to fill their places as soon as the A-level results are published in the third week of August, and no extra places are available via the "clearing" process. Hence the pressure on A-level results is increased.

"Modular" A-level courses, which are increasingly popular, seem to be a third factor in swelling demand. These take some of the pressure off the final exam, but expect students to take some public exams at the end of their first year in the sixth form. This gives first-year sixth pupils a new incentive to revise at Easter

Finally, schools are abandoning their traditional suspicion of tutorial colleges. The main revision courses have now had enough time to "bed in", allowing schools to recommend them with more confidence.

Peter Boormann, principal of Davies Laing and Dick, says that the publication of A-level "league tables" in recent years has encouraged schools to allow pupils to take revision classes: "The sclbools are going to be judged publicly on their pupils' A-level grades, so they are happy if someone else helps to improve them."

So wbat can revision courses offer? Almost all the institutions olfering courses stress that they cannot substitute for consistent hard work over the previous five terms.

Instead, they can boost confidence, provide a disciplined learning environment at a time when students can easily panic, and give detailed advice tied directly to the exam. For those who need it, they can also provide a succinct tour througb tbe content of tbe syllabus, although these are "revision" courses – built on the assumption that studeots will have covered the material at least once before.

As Stoute puts it, people who already have conditional offers from Oxbridge are rare – anyone in that position should have no use for a revision course. Those who need help in disciplining themselves (remembering the freqnent refrain in school reports that pupils can do well "given hard work over the Easter holidays"), or whose A-level studies have been severely disrupted, are those likely to benefit most.

Most of the courses have a standard content. Classes are small – certainly not into double figures – and informal. Tutorial colleges can rely on pupils' nerves about exams to enforce discipline, so typically tbere are no rules heyond requiring attendance at lessons and completing homework.

Typical lessons at Justin Craig Education, the largest Easter revision specialist, start with discussing pupils' strengths and weaknesses, and then look at past papers. Then come mock examination questions. Generally pupils on all courses can expect to write one or two practice answers a day, but this will not take over the day completely.

Justin Craig also gives great attention to essay writing techniqnes, and tips which might help candidates avoid embarrassing mistakes which will irritate a tired marker working through a pile of scripts.

Courses at Davies Laing and Dick follow a similar pattern. Eacb day starts with 90 minutes of subject tuition, followed by 75 minutes on examination techniques and 30 minutes of individual surgeries. In the afternoon, students face a daily test for 90 minutes, almost two hours of subject tuition, and then another individual surgery.

This is very much a standard course pattern, and it is worth asking close questions of any college whicb differs from it significantly.

The thorniest issue can be choosing a course. Price will, of course, be a big factor (see the side-bar). But there are some other important points.

First, avoid the cowboys. It is not difficult to set up a revision course staffed by teachers with olausihle qualifications. They need to provide the expert guidance in dealing with the specific problems of exam technique.

Wendy Johnson, of Gabbitas Educational Consultants, says: "It's important to ask what experience the college has in running that kind of course. If it's an accredited college you can be sure you are looking at certain standards. If it isn't you would certainly want to know bow long the course has been running."

In particular, the most reputable operators will be accredited hy either the British Accreditation Council, or the Conference for Independent Further Edncation, or both.

Johnson says there can be problems with Easter course specialists run by individuals if you are not happy with the service. "If you are not satisfied afterwards there's no one to go back to. If it's run by one individual it's difficult for parents to get their money back."

Further, she says, it is important to find out exactly what is offered. In literature and history, for example, the course is useless if it covers the wrong historical period or the wrong books.

Sbe also suggests parents should find ont whether the college has a particular speciality – many, for example, specialise in helping would-be medics, who will often be required to score A grades in every subject.

Finally, she says, it is important to look at the character of the college. There are big differences hetween individual tuition in a further education college, which might be better known for evening classes for adults, a stay at a traditional crammer (most of which are in large Georgian terrace buildings in London, Oxford or Cambridge), or a brief interlude at a big boarding school. Any might be appropriate, but the final decision is personal.

What to look for

Extra tuition is not cheap, and you will need to shop around for the best deals. Usually you will be quoted the cost for a week's tuition, without accommodation. If accommodation is necessary, courses can usually provide it. It is also worth inquiring whether any extras are included.

While you will not necessarily improve an A-level grade by spending extra money, there may be positive extra features on offer to justify a higher price. Some are more flexible about dates than others, and some – the Easter revision specialists – can also offer a choice of locations.

Justin Craig's courses, held between April 5 and April 14 in some independent schools cost a basic £280 a week (£560 for two weeks), plus VAT. Students seeking a full residential course must pay £340 a week (£680 for two weeks), plus VAT.

Tutorial colleges tend to be slightly more expensive. Mander Portman Woodward in London charges £490 for one week, but Nigel Stoute, the principal, points out that the college, one of the largest, offers separate groups for each exam board. This is a useful service, but it keeps the size of each group small, thus increasing the cost.

Davies Laing and Dick charges £375 a subject, with an extra £45 an hour for individual tuition.

Millfield, arguahly the best-resourced boarding school in the country, and one of the most expensive, is e different kind of institution, but its charges are surprisingly close to those of the competition – £410 for residents and £335 for non-residents.

Access to the school's formidahle sporting and recreational facilities is included with the fee, and must be a considerable extra perk.

1996 EDUCATION FEATURES

The proposed schedule for 1996 Education Features in the Financial Times is as follows:

EDUCATION COURSES REVIEW SUMMER SCHOOLS - 13 APRIL

EDUCATION COURSES REVIEW - 17 AUGUST

TOP 500 SCHOOLS - 24 AUGUST

EDUCATION COURSES REVIEW - 31 AUGUST

TOP 1,000 SCHOOLS - 26 OCTOBER

All the above features will appear within the Weekend FT apart from the Top 1,000 Schools which will be a pull-out Tabloid supplement.

For further information please contact:

Charles Whitewood on
Tel: 0171 873 3503 Fax: 0171 873 3098

BOOKS

In search of gold

David Lascelles on the case against Nick Leeson

There is one word in this book which seems to sum up the whole sorry Barings affair – "shagloads". This is the unit of account that people like Nick Leeson used to describe the money they made trading on the securities exchanges. It reeks of greed and contempt; it is grubby, deliberately lavatorial, and it shows the depths to which Barings, "the Queen's merchant bank", had sunk by the time Leeson finished it off exactly a year ago.

This is only one of many books that will doubtless constitute a hefty Barings *genre* over time, but Stephen Fay is clear about the purpose of his account. It is to lay out the case for the prosecution of Leeson, a case which, he points out, has never been heard in full because Leeson pleaded guilty at his trial in Singapore.

Fay is dismissive of Leeson's plea in his television interview with David Frost that he got sucked into illegal dealing because he wanted to cover up the mistakes of others and, having done so, needed to keep going to protect their bonuses.

Instead, Fay argues that Leeson went to Singapore in 1992 intent on making his shagloads by whatever means he could. Fay recounts that, as a novice settlements clerk in London, Leeson had uncovered dodgy deals involving one of Barings' insitutional customers where the manager was using his clients' money to trade on his own behalf. The whole experience "was a crucial stage in Leeson's further education: working for the business development group was like an intensive course in finance".

Once in Singapore, Leeson helped set up the famous 88888 error account, in itself fairly standard procedure. However, a few days later, Leeson instructed a Barings computer consultant to alter the programme so that it did not send full trading details back to London in its routine daily report. "This was not the action of a dedicated settlements clerk," says Fay. "It could only have been designed to deceive the office in London."

In the Frost interview, Leeson said the 88888 account was first used to park a £20,000 trading error by one of the Singapore clerks. In fact, records on the Singapore exchange show that he began to use the account 10 weeks earlier, on the day it was opened. "It is clear that, from the start, Leeson was intent on a substantial gamble with the firm's money."

THE COLLAPSE OF BARINGS
by Stephen Fay
Richard Cohen Books £20, 300 pages

And so it progressed. The hungling Leeson sank deeper and deeper into his costly mire, always hoping for that unlikely turn in the market that would transform all his options into gold. It is a convincing case that Fay puts forward, and he is rightly dismissive of the conspiracy theories which suggested Leeson was colluding with management.

The main weakness, however, is that Fay never got to speak to Leeson himself. The book is based largely on the two official reports into the collapse, by the Bank of England and the Singapore authorities, and on the full transcript of the Frost interview, only part of which was broadcast.

This means that we do not hear Leeson's responses to Fay's specific accusations. Fay can only speculate about Leeson's motives, viz: those shagloads (more for status than cash), popularity with his colleagues, and pleasing his wife Lisa. Probing more deeply Fay suspects there may have been a streak of class resentment: Leeson, the upstart from Watford, putting the boot into the blue-blooded nobs at Barings.

But this book is more than an investigation of Leeson's motives. Fay is an experienced writer on City affairs and he explores to good account several of the big themes in the Barings story: Barings' blundering entry into the unfamiliar world of securities dealing, and the extraordinary incompetence and greed of its management.

There are particularly good passages at the height of the crisis when other merchant bankers gathered at the Bank of England to plead for Barings' rescue because its collapse would cause irrepairable damage to London. But Eddie George, the governor, resisted pressure to draw on taxpayers' money, rightly as it turned out.

Fay makes little effort to disguise his cynicism about the City. He thinks that the management of Barings was so poor that the bank would probably have lost its independence without Leeson's help. It had strayed so far from its path, it was short of capital and had lost its executive flair. This may upset readers who feel that Britain lost something valuable when Barings fell. But his tone is very much in tune with the times. Too much of the City is living on its past, and too little of it is aware of the future. Times have moved on since the days when Barings ruled the world. It sank with barely a ripple.

Crime

Vice Miami style

Since Ponce da Leon traipsed through the Everglades in search of the Fountain of Youth, Florida has been a playground for con men and hucksters. Carl Hiaasen is fond of pointing out that the legendary orator, lawyer and presidential candidate, William Jennings Bryan, was paid $100,000 a year, at the turn of the century, to "shill" for Florida land speculators.

Hiaasen's concerns about the character of his state may get more attention now that his last novel, *Strip Tease*, has been made into a movie with Demi Moore, but he worries that, rather like the body count in *Miami Vice*, it may just make it look more appealing.

Hiaasen's books are concerned with the land, but filled with speculators. He sees Florida as a hothouse which nurtures creatures at both ends of the food chain. It is no coincidence that animals play large parts in his books: in Hiaasen's Florida, the lizards walk on two feet as well as four.

Hurricane Andrew is the backdrop for *Stormy Weather*: "4½m people have the arrogance to cram themselves in between Palm Beach and the Keys, directly in the major hurricane path," says Hiaasen. "Then they can't believe it when Mother Nature says 'excuse me'." The hurricane unleashes two zoos: one, owned by the hero's uncle, is literal; the other is the figurative menagerie of thieves and politicians, looking to make a quick buck off the hurricane's devastation. And the everyday people, armed to the teeth, are looking for revenge or protection. The scene is set.

STORMY WEATHER
by Carl Hiaasen
Macmillan £15.99, 317 pages

SUITABLE FOR FRAMING
by Edna Buchanan
Simon & Schuster £15.99, 243 pages

Aligned against this are a couple of honest cops, our hero chasing his uncle's lost animals, a newlywed whose husband wants to record the pathos on his honeymoon camcorder, and Skink, a recurring character in Hiaasen's books, a former governor of Florida who disappeared and now gathers "roadkill" and lives in the swamps.

It might not sound like the recipe for laughter, but it is. And despite Hiaasen's touch for comedy, he recalls another Florida crime writer, who also expressed his concern for the state while crafting his thrillers. *Stormy Weather* is more like John D. MacDonald's *Condominium* than his Travis McGee books, but like MacDonald, Hiaasen also brings his stories together in a climax with as much bravura as the hurricane. Love and nature have their moments of triumph, but the greedy Florida world moves on.

Hiaasen writes a twice-weekly column on life in Florida for the Miami Herald. His colleague Edna Buchanan was the Herald's crime reporter, covering 5,000 murders and winning a Pulitzer. Buchanan's first novel, *Nobody Lives Forever*, suggested that she was directing her prodigious talents into presenting a Miami shadowy with betrayal and ambiguity. She has since switched to writing a series about Britt Montero, a crime reporter on a Miami paper.

Montero's Miami is a careerist's paradise. "We have it all: war, murderous weather, foreign intrigue, spies, refugees, and hand-to-hand combat in the streets. What more could a writer want?" She seems to have embraced the ethics, if not the methods, of south-Floridian consumption: her closest friend sometimes appears to be her brand-new T-Bird car.

The bulk of *Suitable for Framing* is actually a story about newsroom politics and rivalry, which builds slowly into an engrossing paranoid dilemma, only to peter out into a very stale whodunnit.

But not before providing one of the funniest lines I have read in a mystery since I gave up the Hardy Boys. Montero's friends have met to give her support, as she has been charged with murder.

"What can I do?" Mrs Goldstein asked.

"Cookies," Lottie said. "Lots of cookies, chocolate chip. We're gonna need energy for this caper."

Don't move, this cookie is aimed right between your eyes.

Michael Carlson

The Russian folk hero Ilya Muryametz on his winged horse, depicted by I. Bilibin in 1900: men of "superhuman" stature and abilities are celebrated in the myths and histories of every nation. In "The Hero – Manhood and Power" (Thames and Hudson £8.95, 96 pages, 132 illustrations) John Lash explores the hero as the incarnation of masculinity at its most noble.

Hate in his heart

David Pryce-Jones uncovers a neo-Nazi conscience

Ingo Hasselbach used to be one of the most notorious neo-Nazis in Germany. Over six-foot-six, blond and tough, he fitted the Aryan ideal. At least as many people admired his public outrages as feared them. Early in 1993 the German neo-Nazi movement looked like falling into his hands.

Unexpectedly he began to question himself and his goals. It must have taken great courage to write this renunciation of everything he has previously stood for.

Confusion and guilt were built early into his life. His father, a convinced communist, abandoned a wife and family when he fled in 1964 from West to East Berlin. There he met the woman who later became Hasselbach's mother. Remote, not to say inhuman, he paid little attention to anyone else. A stepfather proved as bad.

Like so many Germans in his generation, Hassalbach grew up without personal or social or moral cartainties. In his opinion, West Germans lied about the past, East Germans lied about the present. Soon he was a teenage delinquent.

The Stasi, or secret police in the DDR, had no idea what to make of him and his anti-social friends. According to doctrine, if you were not on the communist side you were by definition a Nazi. If the state considered him a Nazi, Hasselbach decided, he would show them what that meant.

Hasselbach is better at describing the manifestations of his hate than at analysing its origin. Once the Berlin Wall came down, he and his friends met up with opposite numbers who similarly hated and rejected West Germany.

"I had always dreamed of becoming a terrorist," he says, rightly adding that he had much in common with other extremists who were rivals in name, whether anarchists or the Baader-Mainhof gang.

Michael Kuhnen spotted Hasselbach's potential. This sinister man had already "altered the boundaries of political rebellion in Germany", being the first to break the Nazi taboo. Imitating Hitler in dress and manner, he set up several Nazi fronts, organised demonstrations around Nazis like Rudolf Hess and instigated the attacks on immigrants which have become a feature of daily life.

FUHRER-EX: MEMOIRS OF A FORMER NEO-NAZI
by Ingo Hasselbach
Chatto & Windus £10.99, 384 pages

The German government has always claimed that these mobilisations and street-battles have no significance, amounting merely to youthful misfits letting off steam against authority. Hasselbach explodes this complacency once and for all.

Just as the Baader-Meinhof gang was financed and directed from Prague and Moscow, so the neo-Nazis were integral members of a worldwide movement co-ordinated from the US by one Garry Lauck. A prominent anti-Semite, he was among the first to deny that the Holocaust had taken place. Hasselbach gives vivid character sketches of Lauck and his agents, and several dubious millionaire backers.

Hitler remains their model. Most of the neo-Nazi appeal derives from nostalgic misrepresentation of the days of German military might. Anti-Semitism, however, is no longer the supporting ideology it was. Indignantly claiming that there was no mass-murder of Jews, neo-Nazis are unable to explain why so few Jews are now alive in the country nor how those few can still be responsible for its ills.

Kuhnen had the organising skills and populist rhetoric to become the new Hitler. With hindsight, Hasselbach sees him as a replacement for the father who had cruelly rejected him. Kuhnen died young of Aids, and the neo-Nazis looked to Hasselbach as his successor. At first he mounted yet more aggressive demonstrations and laid in weapons with which to realise the dream of terror at last.

Politicians and the security forces, he says, turned a blind eye in unspoken sympathy. A mass-movement was in the making.

Hasselbach seems to have recoiled from the consequences. Conscience perhaps made an imperfect fanatic of him. His programme shocked a new girlfriend. Decisively, a German hippy film-maker won his trust and friendship and went on to suggest that there were alternativa modas of rebellion.

The deed of violence, Hasselbach understood, harms the doer. Taking for granted his own victimisation, he had also made a culprit of himself.

Rescued as much by luck as by judgment, Hasselbach describes a whole country thrashing about like him, between extremes of frustrated nationalism and inchoate idealism. Anyone trying to peer into the European future should read this revealing search for an acceptable and guilt-free German identity.

BOOKS

A journey through the American underclass

That the poor are imprisoned in poverty is our fault, argues **A.C. Grayling**

When Peter Davis was mugged a few yards from the front door of his New York apartment building, it gave him a mission. The mission was to go in search of an explanation of the Underclass – the profoundly poor, the dispossessed, the damned in what Davis calls "an American hell."

What prompted him was the sense that the mugger, head blurred in a stocking and waving a "thick, potent, military" .45 under his nose as he and his wife shakily handed over their wallets, was an enemy. The poor are our enemies, says Davis, and this is no surprise; for we make them so, by waging war on them. We blame the poor for being poor, single mothers for being single, the ineducable for being uneducated, the prisoners of desperation for being imprisoned. We call for welfare cuts. Very soon we find the problem of poverty so baffling and intractable that we turn away. And poverty goes on, blighting the lives of millions and corroding society at its base.

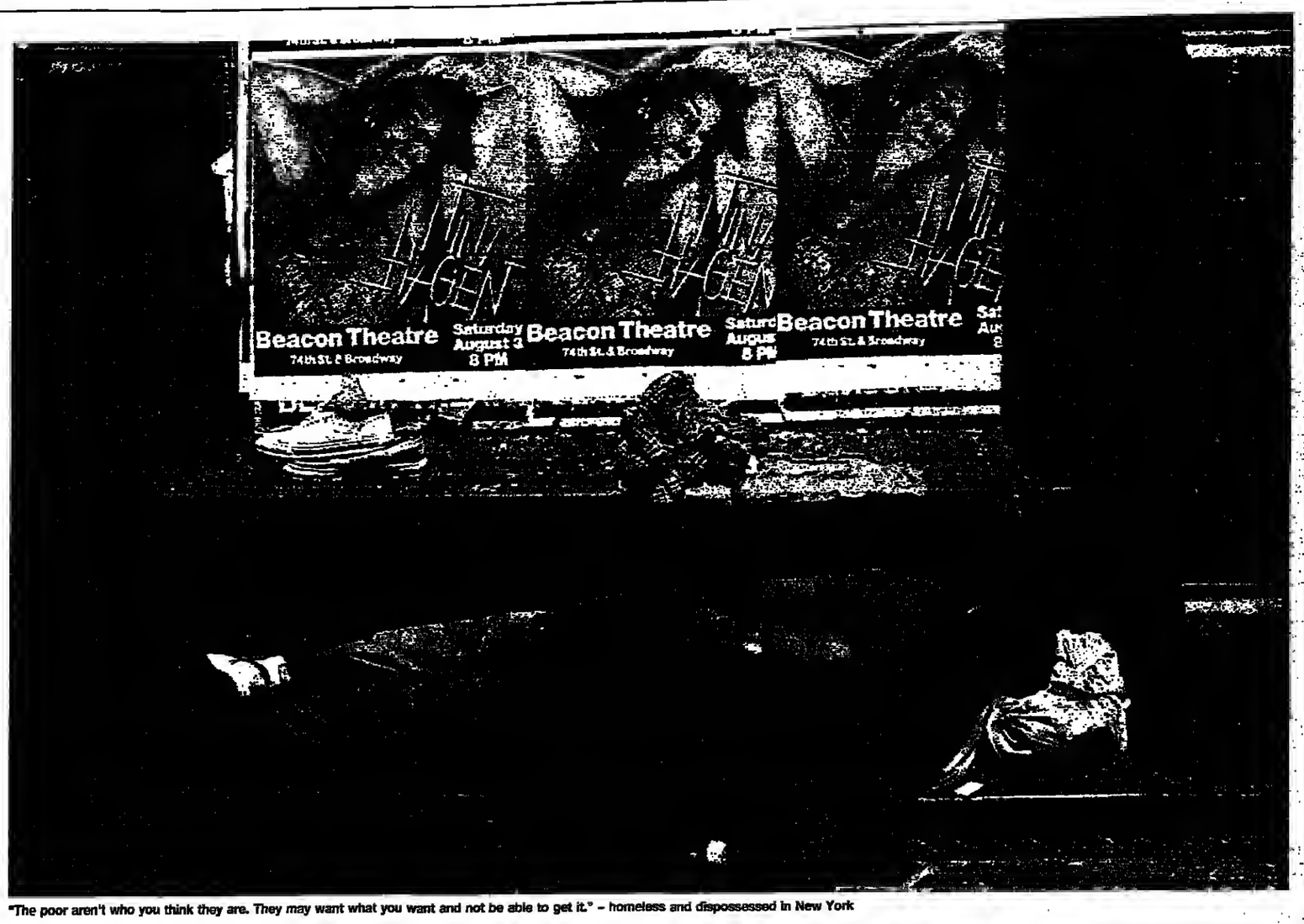
Davis, an award-winning journalist, travelled through the dangerous neighbourhoods of America – more like third world zones than city suburbs – to confront "America's hell" by talking to the poor in their own physical and mental habitats. In successive chapters he records his observation of the effects of profound poverty on children, teenagers, adults and the elderly.

The young distressed him most, adults taught him most. He saw the young as absolute victims of their parents' hopelessness. Neglect, poor education, abuse, early introduction to substance abuse and crime, had done their work before these youths were far into their teens. One, whom Davis calls Kelso, had been vilely abused as a child; his father left him down a well for nine days, an uncle gave him gonorrhea. Down the well Kelso ate "parts of a frog and some maggits" to survive, but the maggots made him vomit. Where was his mother when his father beat him and, on one occasion, slashed his throat with a broken bottle? "Getting stoned," Kelso told Davis.

IF YOU CAME THIS WAY
by Peter Davis
John Wiley and Son £15.95, 202 pages

But the stories did not have to be so dramatic to produce the same result: directionlessness, and an almost complete social impotence resulting from shirked education, inarticulacy, drug-dependency and imprisonment in both the mentality and geography of the ghetto.

From adults Davis learned that "the poor" as one of the them put it, "aren't who you think they are. They may want what you want and not be able to get it." Davis thought this the most profound observation he had ever heard on the subject. We think the poor create their own problems because they have different motives from the rest of us, and anti-social and wrong-headed ones at that. But most of the poor do not wish to be poor; they wish to work; they desire independence and a decent life. Yet for many of those mired in poverty and its desperations – especially for those born into it, already living its life before they know the difference – poverty is a prison. "Learning to read, finding a home, stopping drugs, being accepted into job training," says Davis, "can be achievements as significant as that of a paralyzed victim who slowly, agonizingly, learns to wriggle a single toe."



"The poor aren't who you think they are. They may want what you want and not be able to get it." – homeless and dispossessed in New York

Who are the poor? We the unpoor seem deliberately to avoid answering. Best estimates for the US – the world's richest economy, remember – suggest that 60 million people are poor; that 26 million of these, half of them children, are dependent on soup kitchens or emergency feeding programmes; that between 12 and 15 million of these, in turn, are persistently, intractably, Underclass-poor.

These latter Davis calls "our helpless own". They are "the widow found with her legs frozen in her own urine after the heat was shut off, the family of six fighting with rats over rotten potatoes, the brother and sister arrested after killing a travelling businessman for his pocket change." Why is there such poverty? What can be done to help people out of it?

By the end of Davis's account of 1990s poverty in America – and the problems are similar in Europe – one is feverishly eager for answers. But as with so much else, there can only be answers if the questions are correctly framed. So the first thing to grasp is that the causes of poverty are many, and mutually potentiating. Note that Davis's account *does not misplace an emphasis* on race; two thirds of America's poor are white, one third black and Hispanic, although this means that a *disproportionate number* among ethnic minorities are poor. Rather, it is the conspiring effect of some combination of deprivation, discrimination, addiction, instability, retardation, homelessness and illiteracy that creates poverty: "the underclass is composed of people with such diverse problems we might usefully label them the several underclasses instead of trying to corral them all together," Davis observes. There are many routes into poverty, but very few out.

Characteristically for an American, and unsurprisingly for an age when *conservative rhetoric is the* dominant western political discourse, Davis sees government as only part of the answer – and even *then in somewhat negative terms*; he reports one pauper saying that Newt Gingrich's views are right because "the rich man has to feel free to invest or he won't open his wallet to hire fellas like me." In the same vein, Davis puts part of the onus on capitalism itself: "Why," he asks, "are drug-dealers the only entrepreneurs on ghetto streets?"

But neither tack holds much hope for the diagnosis just given, that in its sources poverty is a hydra. What we want is a Hercules of a solution to cut off as many of its heads as possible. And that means: many *solutions*, all at once, to break off the cycle of deprivation, and to reclaim the lost – along with all their possible talents – for society.

The rest of us should emulate Davis in noting our responses to the poor: our distaste, our guilt, our annoyance at the beggars who in effect demand a toll from us to walk our own streets. But this is our fault; it is the fault of our imagination, compassion and political will. If we think we save ourselves money by cutting welfare and anti-poverty programmes, we deceive ourselves, for far more will have to be paid in the long run, and not just by starving children and wasting adults, but by ourselves – the smallest instalment of which falls due when, for example, we meet the mugger in the stocking mask.

A rascal – but a true genius

Only at the keyboard was Arthur Rubinstein really himself. The love he conveyed through his music was ecstatically returned by his audiences. They did not mind how many notes he dropped – whole basketfuls of notes, said his wife Aniela – and even the music critics stopped noticing.

But away from the piano Rubinstein's need for love was insatiable and *often destructive. The musician* who grew to an immense professional stature over 80 years of performing remained, at home, a child.

The most moving part of Harvey Sachs's exhaustive biography is the testimony of the pianist's own family: his betrayed wife and apprehensive children. His daughter Eva says of his concerts: "There I saw my father's real face and I felt my father's real self. It was only then I could love him completely." Aniela (Nela) said he looked "inspired and wonderful" while he played. His son John remembers an angelic generosity flowing out of his father in those moments. Then, "whatever that needy, greedy, narcissistic thing of his was, it was at its minimum".

Rubinstein had two prodigious *gifts: one, his facility for playing* the piano, the other, charm. His power of communicating from the keyboard was so great that for years it aroused suspicion among the *cognoscenti*. They tried to regard him as a mere virtuoso with a showy and sometimes flawed technique – which was unfair because Rubinstein, if he did nothing else, retrieved the music of Chopin from the exaggerations of super-romantics like Paderewski. Eventually critics such as Klemperer were forced to admit their mistake.

Rubinstein's private selfishness and sexual gluttony, tirelessly catalogued in this biography, sprang from a strange childhood. Born in Lodz in 1887, he was an unwelcome seventh child who his mother had planned to have aborted. The infant prodigy grew up apart from his parents under the wing of the great violinist Joachim and came to feel ashamed of them, then felt guilty for feeling ashamed.

He was dreadfully spoiled. As a child it was chocolates, later it was women – preferably ones old enough to be his mother. He demanded uncritical adoration because he was afraid that people loved him for his talent, not for himself. He was deeply suspicious, bore grudges, raged and was cruel. He was called profligate, superficial, a pleasure-seeker and a dandy.

But music was his second nature. One witness described the curly-headed boy of 12 playing a difficult Bach fugue. Asked to transpose it to A flat minor, he paused a second then repeated the whole thing again, by heart, in the new key.

ARTHUR RUBINSTEIN
by Harvey Sachs
Weidenfeld & Nicolson £25, 525 pages

After one public concert he decided to play a Mendelssohn *Song Without Words* as an encore. But nothing came. So he improvised a piece in the same key. No-one noticed except his teacher Heinrich Barth, who told him he was "a rascal – but a genius".

Playing came so easily to Rubinstein that after the age of 14 he virtually stopped practising. He took up sex instead. After forcing him to study Tchaikovsky's first piano concerto before performing it in Scotland, the conductor Emil Mlynarski, his future father-in-law, declared: "If Arthur only wanted to *work really hard*, he would be the greatest pianist in the world."

After his marriage in 1932 – he was 44 – he began to work seriously at the keyboard, though he told a pupil never to practise more than three or four hours a day or she would know too little of life to be expressive in music.

He never gave up philandering in spite of what he led his beautiful bride to believe. At the age of 83 he met the 24-year-old Annabelle Whitestone, and decided to leave Nela and spend the rest of his days being spoiled by his new conquest. The clash of testimony between the wife and the young usurper makes painful reading: Sachs says he has censored nothing – even though in 1992 Whitestone became the fourth wife of Lord Weidenfeld, publisher of this book.

A virtuoso of Rubinstein's calibre can afford, perhaps, to live without rules, without roots or even real relationships. And Rubinstein was not a vicious man, even if he could be cruel. He was generous with his money, a wonderful *raconteur*, genuinely charming and frank enough to admit that he was "scared to death" of the Chopin Etudes, which was why he did not record them.

And he was brave. He would never let an audience down. He played while suffering from shingles, food poisoning and pneumonia. He performed the massive Bach-Busoni *Chaconne* after slamming his right hand in a chest of drawers so that it made his daughter physically sick just to watch him having to negotiate the piece with a useless fourth finger.

Harvey Sachs has performed a labour of love in recreating Arthur Rubinstein's life. If anything he has been too thorough. But the paradox of Rubinstein's career – a career which gave music to people *but put music above them – comes* through clearly. It is the moral tale of a man who imagines life can be lived for enjoyment.

Rubinstein gave his last concert at 89 and died in 1982, close to his 96th birthday. The last piece of music he heard was a piece composed the year he was born, Brahms's Double Concerto. He had first heard it played by the two men, Joachim and Hausmann, for whom Brahms wrote it. *That* is musical longevity.

Christian Tyler

Fiction/**Iain Finlayson**

Chinese whispers with humour

Amy Tan's *The Hundred Secret Senses* follows the international successes of her first two novels, *The Joy Luck Club* and *The Kitchen God's Wife*. She gets it right again.

THE HUNDRED SECRET SENSES
by Amy Tan
Flamingo £15.99, 321 pages

KATHERINE
by Anchee Min
Hamish Hamilton £15.99, 241 pages

A CHOICE OF EVILS
by Meira Chand
Weidenfeld & Nicolson £16.99, 461 pages

The first paragraph is the perfect hook: "My sister Kwan believes she has yin eyes. She sees those who have died and now dwell in the world of yin, ghosts who leave the mists just to visit her kitchen on Balboa Street in San Francisco."

Kwan is the older half-sister of Olivia Yee, who is five years old when this disturbing, beaming, apparently crazy woman arrives to live with her family and drive her nuts with midnight tales of Chinese ghosts. For the next 30 years these become *disturbingly visible in the* living world of Olivia's normal American life and marriage to Simon.

Kwan believes herself to be the reincarnation of a Chinese peasant who became attached to Miss Banner, a loose woman obliged to associate with missionaries 100 years ago in China. Miss Banner has become reincarnated in Olivia, and Yiban, Miss Banner's lover, has returned from the world of yin as Simon, from whom Olivia is attempting to separate herself.

Kwan's implacable sense of destiny results in a trip to China for herself, Olivia and Simon. There, in the little hidden village of Changmian, the 100-year-history of Amy Tan's historical and modern characters, and the 100 secret senses needed to combine them, are brought together in a reconciliation that Kwan perhaps had anticipated all along.

The sheer buoyancy of Amy Tan's writing, her spirited genius for storytelling, the gusty humour, the *unsentimental expression of emotion*, the sharp dialogue and the sheer verve of the narrative as it bounces along from modern San Francisco to 19th-century provincial China, is entrancing. If there are faults, they are not evident on a first, exhilarating reading, when any disbelief is immediately suspended, from the confidence of the first lines to the sharp inevitability of the last.

The everyday brutality of Chinese life, so shocking to the sensibilities of the western mind, is sharply expressed in the honed language of *Katherine* by Anchee Min. Her own experience of early life as a Red Guard in Shanghai gives an immediacy and harrowing authenticity to her story of the effect on her Maoist pupils of a young American woman, Katherine, who arrives in Shanghai to teach English.


Amy Tan: a spirited genius for storytelling

Katherine is the very spirit of the western world – liberated, sexy, radical – and bound to get seriously into trouble with the Chinese authorities. Anchee Min, like Amy *Tan, approaches the period of China's* cultural revolution through the medium of an American interpreter, who gives her readers access to manners and morals otherwise closed to our full understanding. It is an alarming, perceptive, terse and mature achievement.

By comparison with the miniaturist Anchee Min, Meira Chand's *A Choice of Evils* is a sprawling epic set against the background of the Sino-Japanese war, from the time Japan annexed Manchuria in the early 1930s until the end of the second world war. It is a narrative based closely on real events. Real people are intermixed with Meira Chand's own fictional characters, caught up in her drama and her interpretations of actuality. There is a conscious rounding-off, when the novel ends with the Tokyo war crimes tribunal, adumbrating the new, post-war Japan which, as a resident of Kobe, Meira Chand knows at first hand.

Inevitably this is a more conventional novel than either Tan's or Min's: the writing is more consciously pedestrian and, seemingly, more effortful, as though significance has to be imposed upon characters and events which do not always speak eloquently or evocatively enough for themselves. Amid the detail of the emotional and physical landscape – and there are some fine passages that mark the writer as distinguished – there are the mountains and rivers of historical incident that, with a sigh and a concentration of will, have to be crossed and climbed.

That said, there is enough drama in the events leading to the terrorising of Nanking, enough insight into the Japanese character, enough personal triumph and tragedy, to sustain a long narrative that holds the attention and gnaws at the certainties we take for granted in a time of relative European peace.

Where social rules reign over law and order

The showgirl, one of the eyelid-fluttering clones on Silvio Berlusconi's television channels, asked the veteran star in a honeyed voice: "You must tell me how to vote, because I don't know anything about politics". He, with a magnanimous smile, urged her to support "our president of Fininvest".

The exchange took place on prime-time TV during the run-up to the 1994 elections which swept the media tycoon to power. One could not help viewing the bewildered girl as a metaphor for Italy.

Matt Frei, the BBC's Southern Europe correspondent, resists such temptations and argues instead that the country's electorate is rather sophisticated. This is one of his rare appreciative remarks in a perceptive book which is devoted to analysing the perversions of Italian-style democracy rather than extolling the country's virtues.

Frei's manuscript was finished before last summer's referendum, when Italians voted to allow Berlusconi to keep his TV channels. If Italians had really been getting angry by the conflict of interest which the tycoon embodied, as Frei suggests, they could have tried to rebalance his unique privileges. Instead, they signalled their tolerance for a new Sun King with a result which highlighted the country's relaxed views on the exercise of power.

Frei is right to insist that many Italians are still strangers to the concept of accountability in public life. "In Italy, power is not there to be checked and screened, it is above all to be respected and exploited as a source of patronage", he writes. The Italians' deference to seniority and group affiliations also, I believe, leads to obsequious social relationships and inadequate rewards for achievement.

The State is often perceived as a big bully because its unwieldly bureaucracy has almost completely separated it from its citizens. Frei rightly singles this out as a reason that social rules are obeyed more rigorously than laws.

His book is historically accurate, although I would have liked more on what Luigi Barzini, author of *The Italians*, called the phenomenon of "flexible, selective obedience". Barzini considered it the product of a succession of foreign masters dominating Italian soil until the late 19th century: "They could be pacified with tributes and adulation", he wrote, "and almost always easily deceived".

ITALY: THE UNFINISHED REVOLUTION
by Matt Frei
Sinclair-Stevenson £20, 300 pages

I cannot bring myself to listen to the famous Neapolitan song "Torna a Surriento", since I learned that its heart-rending plea: "Famme campa" (Let me live) was meant to be addressed to a government minister. Little wonder then, that the servile courting of power in order to obtain jobs has resulted not in allegiance to the law, but in loyalty to patrons who were "always expected to sin".

Italy's stop-go attempts to reform herself – what the late Moana Pozzi, the porn star turned parliamentary candidate, described to Frei as the "coitus interruptus of the Italian revolution" – is caused, he argues, by the tribal structure of Italian society. *Its fragmentation into families* and fraternities and diffidence towards the concept of State, he says, is the biggest obstacle to change: "It has undermined civic responsibility and obstructed reform".

Another cause is wittily identified as the people's "mystical aversion to the obvious", a tendency to over-complicate the simplest things. More serious seems to be the treatment of "original sin as a kind of opt-out clause for personal responsibility".

The author's conclusion is gloomy: Italy is not yet ready for collective change. The qualities that would make her "the closest thing to paradise on earth" – culture, humanity, inventiveness and humour – are not enough.

I have never heard of the ornate coffee-drinking rules Frei jokingly conveys in order to portray Italian society's deadly rigidity, but I am glad he mentions a critical moment in the political history of the past two years: when Roberto Baggio missed the crucial penalty against Brazil which cost Italy the 1994 World Cup. He argues that the country would have attributed such a famous football victory to prime minister Berlusconi's political wizardry. That is why I was surely not alone in my relief when the "Divine Ponytail" famously blasted the ball over the crossbar.

Maria Chiara Bonazzi

ARTS

Women in the picture

Virgins, victims or vixens? Nigel Andrews looks at female movie roles and Hollywood sexual politics

No good parts for women? Past stars Katherine Hepburn (left) and Greta Garbo (far right) proved otherwise, as do current Oscar contenders Emma Thompson (centre left) and Sharon Stone (centre right)

The strangest thing about the movie year to date is the neck-and-neck race between two trends. Speeding down the inside track in Regency bonnet and finery is the graceful "Jane Austen". Snorting alongside, possibly from the effects of a cocaine-filled nosebag, is the headstrong, high-living "Las Vegas".

These sub-genres, for all their seeming mismatch, have one common feature. Women are at the centre. In the Austen films (*Persuasion*, *Sense And Sensibility*, soon *Emma*) a flutter of fina actresses move through the world of love, irony and atiquette: a world American audiences are taking to their hearts as keenly as British ones. In the Vegas films (*Showgirls*, *Leaving Las Vegas*, this week's *Casino*) women dominate again, this time embroiled in vice rather than virtue.

From this unlikely double stable Emma Thompson, Sharon Stone and Elisabeth Shue are all in contention for the year's Best Actress Oscars. And in other modern films – like *Waiting To Exhale* and *Dangerous Minds*, or the soon-to-reach-Britain *Strange Days* (futurist thriller with Angela Bassett as chiaf troubleshooter), *Copycat* (murder mystery with Holly Hunter and Sigourney Weaver) and *How To Make An American Quilt* (Winona Ryder and Anne Bancroft in an all-white *Waiting To Exhale*) – women are starting to be not just co-stars but main movers in the plots.

You do not have to be a film reporter to be startled by this, though it helps. For years up to now the cry in Hollywood has been the same: "No good parts for women." The many times Oscar-nominated Susan Sarandon, in contention again this year for *Dead Man Walking*, once told me: "I don't think there are that many good parts for men *or* women. It's just that even in bad films it's the man's problem the story centres on. The woman is there as a shallow characterisation or caricature at best."

Sarandon picks classy scripts. But the complaint is the same at the popcorn end of the spectrum. Linda Hamilton, of the *Terminator* films, bewails an industry where it has been hard for women to find any role between Amazon and ingénue.

"In most action films the heroine is there as 'the woman the hero wants to save, or get back.' Either that or she's rendered sexless as 'a fellow-warrior. After *The Terminator 1* had a hard job getting any soft or vulnerable roles, even though those were what I had played before. Hollywood sees you as your last movie part. With men the ability to play different roles brings an acknowledgment that you may be able to play *lots* of roles. Women just get typecast in a different way."

It could be said that cinema has moved in this direction for half a century. Since the heyday of Garbo, Davis, Hepburn and their ilk, when women devoured great roles year after year, female characters have existed mainly as handmaidens to the males. Husbands set the dramatic agenda while wives set the table. Heroes conquer the world while heroines queue up to be part of the spoils (or in rare cases are degendered to become co-fighters). And occasionally a sex icon like Marilyn Monroe embodies in one poignantly totemic figure all moviegoing man's undernourished desires.

Film-maker Paul Schrader believes the relegation of women to passiva or caricatural roles began with the post-war backlash against female emancipation. "It's the same fear that created *film noir*. Men came back from the war to find that women had been liberated into the work force, or had 'liberated' themselves from their husbands or boyfriends. It was one reason the country became obsessed with marriage and family values in the 1950s."

And beyond. For almost three postwar decades, screen women who were not virgins were victims or vixens. Even in the radical 1960s/early '70s, enlightenment and equality did not spread to sexual politics. (Try to remember a three-dimensional woman in *The Trip* or *Easy Rider*.) Believable heroines, like Jane Fonda's living, breathing prostitute in *Klute*, were so rare that they highlighted the tyranny of the norm.

When feminism crept in around 1980, matters got worse. Films were made not about women ascending but about men descending: adorably, vulnerably, hilariously. They tended uncontrollabla tots in *Three Men And A Baby* or *Look Who's Talking*. Or they went through yuppie-panic comedies like *Something Wild* and *After Hours*, in which acheming females waylaid stressed executives.

Men were still the audience's identification figures. Women on screen – again with a tiny handful of rule-proving exceptions like the heroines brought to memorable life by Meryl Streep – incarnated their fears and fallibilities.

Almost the only corner of far-western cinema since the war where women have been presented consistently as human beings is low-cost or semi-independent cinema: the world of John Cassavetes, Paul Mazursky, late Woody Allen, Henry Jaglom. When the pressure is off a director to justify monster budgets or feed patriarchal studios with toys-for-boys films, a new universe of female portrayal has opened up.

For Jaglom, who made *Can She Bake A Cherry Pie?*, *Someone To Love* and the new, widely-praised *Last Summer In The Hamptons*, the explanation for Greater Hollywood's gender prejudice is simple.

"The studios believe there is a demographic centre to their audiences which supports these hugely expensive action films. It varies, but the most recent core filmgoer was something like a 14-year-old boy in Des Moines, Iowa. They make the movie for him, so he'll go back three times taking someone with him. And of course girls don't take boys, boys take girls. Most of these studio people are stunted adults; they're 14-year-olds themselves. So they don't have a hard time with these silly movies. And women are expendable as target filmgoers, they've decided, because they'll go with men to the movies."

Yet things may be shifting even as Jaglom speaks. The day after meeting him I spoke to director Arthur Hiller, now president of the Motion Picture Academy. It had been a long reign for male chauvinism, he agreed. "But I do think it's changing. There are now the strong stars again, the Julia Roberts, Sharon Stones, Michelle Pfeiffers, Sandra Bullocks. Nothing goes at one level, it goes in cycles and curves. We film-makers don't know what's gonna happen tomorrow, or we'd all make box office smashes."

As the venerable Hollywood motto goes: Nobody Knows Anything. And who *could* have guessed the climatic shift whereby yesterday's starlets are suddenly becoming today's stars, even actresses.

Elisabetb Sbue, who did bimbo duty for Tom Cruise in *Cocktail*, turns in spellbinding work as a ravaged prostitute trying to pin her life together in *Leaving Las Vegas*.

Sharon Stooe, who onca looked as if her ambition was to be pornography's ambassadress to mainstream cinema, takes *Casino* from the grip of De Niro and Pesci and shakes it to life as an unfaithful, hell-raising wife.

Meanwhile Emma Thompson pushes feminine cbutzpah into the delicate world of literary adaptation. No one should have been surprised when she chose as director for her Columbia-backed *Sense And Sensibility*, opening in Britain this week, not some pale flower from the James Ivory school but a Taiwanese-American social satirist called Ang Lee.

"Neither Emma nor I wanted to maka a 'woman's movie,'" insists Lee. "When I mentioned that idea to Emma, she said she wanted to dig a hole and hide! She said the film should be for everyone. Even though females are the leads, it is about all people. In their hearts men should be touched and amused too."

As Lee realises, if one way to ensure that a gender is a ghetto is to make no films about it at all, the other is to give it its own special flower-garlanded corner.

The heartening thing about the Jane Austen/Las Vegas double whammy is that in both sets of movies women are interacting with men as adults and emotional equals. They are defining as well as being defined by the opposite sex. And they are running the gamut from gentility to abandonment and back again, leaving the men for once looking dazed and stationary.

Female movie mobilisation may be happening off screen too. *Waiting To Exhale*, a four-character portrait of black womanhood, bas astonisbed white manhood in Hollywood by its audience demographics and bebaviour-patterns. Groups of women are going again and again, without male escort, and reacting volubly during and after the screenings.

Probably these women cannot believe that Tinseltown has made a film for them and about them. Ten years ago movie feminism seemed an embarrassing misfire, producing little but reactiva male cbauvinism or tokenist PC rhetoric. Today – call it the post-feminist age – the message may have dropped when no one is looking. Just wben everyone thinks the battle of sexual politics is quieting down or going away, in some parts of western cinema it may already have been won.

Radio/Martin Hoyle

In the tabloid spirit

So Liz Forgan has resigned. Why is not clear since her abrasive new-broom manner and values seemed ideally suited to the boss of radio in the Birtian BBC. Doubtless there is material there for tongue-in-cbeek satire; but you will not find it in *Mightier than the Sword*, Radio 3's "spoof arts magazine".

Despite the presence of warm, wise, witty and wonderful John Sessions, John Bird, Rebecca Front (one of those super comic actresses from TV's *The Day Today* and *Alan Partridge*), the fun rarely sparkles. First, perhaps, because high culture is a sitting duck along with mock-academic portentousness (as Alan Bennett bas shown hilariously); secondly, our range of reference is so much more restricted than it used to be. Peter Sellers and Irene Handl were wickedly funny sending up the old Home Service *Critics*. But what aspires so high today? The painstakingly matey *Kaleidoscope*? Tha cosily awe-stricken Gambaccini? The mediocre self-satisfaction of television's *Late Review*? Without pretensions there can be no pretentiousness. The French are both heroes and villains of cultural pomposity – and cultural pride. Oh for some unabashed cultural pretentiousness back on the BBC.

It is surely unthinkable that the BBC has taken to heart the old jingle about tickling the public and making them grin, as opposed to teaching the public – "and you'll never be rich: you'll live like a beggar and die in a ditch." *Tickle the Public* is a fascinating new series (Monday morning, Radio 4) devoted to the development of the tabloid newspaper.

The first instalment charted the rise of Alfred Harmsworth, Lord Northcliffe, whose Daily Mail might be said to have started the trend as we know it late in the century. He launched what might be called the "ram-it-home" school of journalism, the unrelenting big campaign. Thus, when deciding that wholemeal bread was good for Britain, he decreed that it should figure in a story a day. He had other obsessions, equally sensible you may think: in 1906 he ran a futuristic thriller serial, set in 1910, about a German invasion of England, ordering a slightly rambling Teutonic advance through the sceptred isle ("the battle of Sheffield", "attack at Epping") to ensure patriotic local sales.

Northcliffe's Mail compares favourably in its presciance with next week's subject, *Beaverbrook's Daily* Express which in 1926 threw John Logie Baird and his television invention out of the lobby ("that madman might have a knife") and whose historic headlines have included 1938's "No War This Year or Next Year Either", "Hailsham Premier" and "Charles to Marry Astrid – Official". But the Express added to the gaiety of the nation with its dedication to jollity. Catch Monday's recollection of tha pre-war equivalent of Bingo: insurance. Registered readers were entitled to £50 if they died at work, £100 on a bicycle and the jackpot of £25,000 for a reader and his wife killed in a railway accident.

By the 1930s bishops thundered against tha tabloids' delight in sex and crime, not to mention the sort of trivia that seems to have stepped from the columns of the Express's own beloved Beachcomber. The observation of Lady Dorothy Mills, for example, who after a sojourn with the "human leopards" of West Africa explained that the cannibals were "very cheery" and had made no attempt to molest her as they found women tasted rather bitter; or Mrs Smith-Wilkinson who spent £30,000 a year on clothes while allowing her husband eight shillings a week to live on bread and dripping.

The BBC is still gentler and less trivial in its news approach. Wednesday's *Today* visited two families still living with the aftermath of previous IRA bombings. A policeman wbo lost the calf muscles from one leg is still in pain; his wife must rub in ointment every day. A family remembered the 15-year-old girl killed in the City; her little sister still feels the pain; her father mentally includes the dead girl in their ordinary lives as a way of keeping ber alive and coming to terms with normality.

In all cases the courage was modest, undramatic and moving: tactful journalism done with restraint and compassion in the best BBC tradition. For how much longer before the tabloid spirit takes over?

ARTS

Variations on a cornfield

Constable's masterpiece has turned up on everything from biscuit-tins to tiles, writes **William Packer**

In 1994 Colin Painter, principal of Wimbledon School of Art, put a notice in a local newspaper. "Picture Research Project", it said, alongside a small, untitled black-and-white photograph. "Do you have this picture in your home, or something with this picture on it such as a clock, a tray, a plate or a thimble?" Later, the same query was put up beside "The Cornfield" itself at the National Gallery. The wide and various response supplies the substance of this show.

It might seem on the surface no more than a populist gimmick, but in the event it has worked. Here is an enquiry, openly social in its address, but open-minded in its expectations and open-ended in its conclusions. By no means does it tell us what to think, but it leaves us thinking, if only a little, of what we have hardly thought about before.

How is it that a great work of art, such as Constable's "The Cornfield", so enters our national visual consciousness as to register at every level of acceptance, from the most knowing and specialised to the most innocent, simple and direct? And if such a spectrum of response is to be acknowledged, who is then to say that the one is necessarily enlightened, the other naive and superficial?

The truth is that if a response is true and deeply-felt, then it is true and deeply-felt. It is not that the specialist is wrong in his approach, nor even that his is not in the end the richer and more profound – this is no relativist argument. But even so, in all his deep study of imagery and technique, pigments and provenance, he may sometimes too easily forget that for many people the picture that so concerns him simply reminds them of home.

"The Cornfield" is just such an image, resonant in the English psyche. Painted by Constable in 1826, it was bought by subscription in 1837 on behalf of the fledgling National Gallery, the first work by a living British artist to enter the collection. It enjoyed an immediate popularity that has lasted ever since – surely we all know that scene so well, the lane between the trees in heavy, late-summer leaf, the sheep in the shadows, the golden field, ready for harvest, the plough by the gate, the distant church tower, the boy drinking at the brook, the donkeys, the alert dog...

The variety in this show is fascinating. The painting is depicted on objects from fireguards to biscuit-tins by way of wall-paper and needlework, cushions and cigarette-cards, jig-saw puzzles and bathroom tiles. The reproductions come in all forms and sizes, from the mezzotints of the 1830s that first brought the image to a wider public, to the latest textured photographic simulations. And there are the painted copies, the earnest tributes of the amateur from Victorian times to the present day, to set beside the working studies of a modern professional artist.

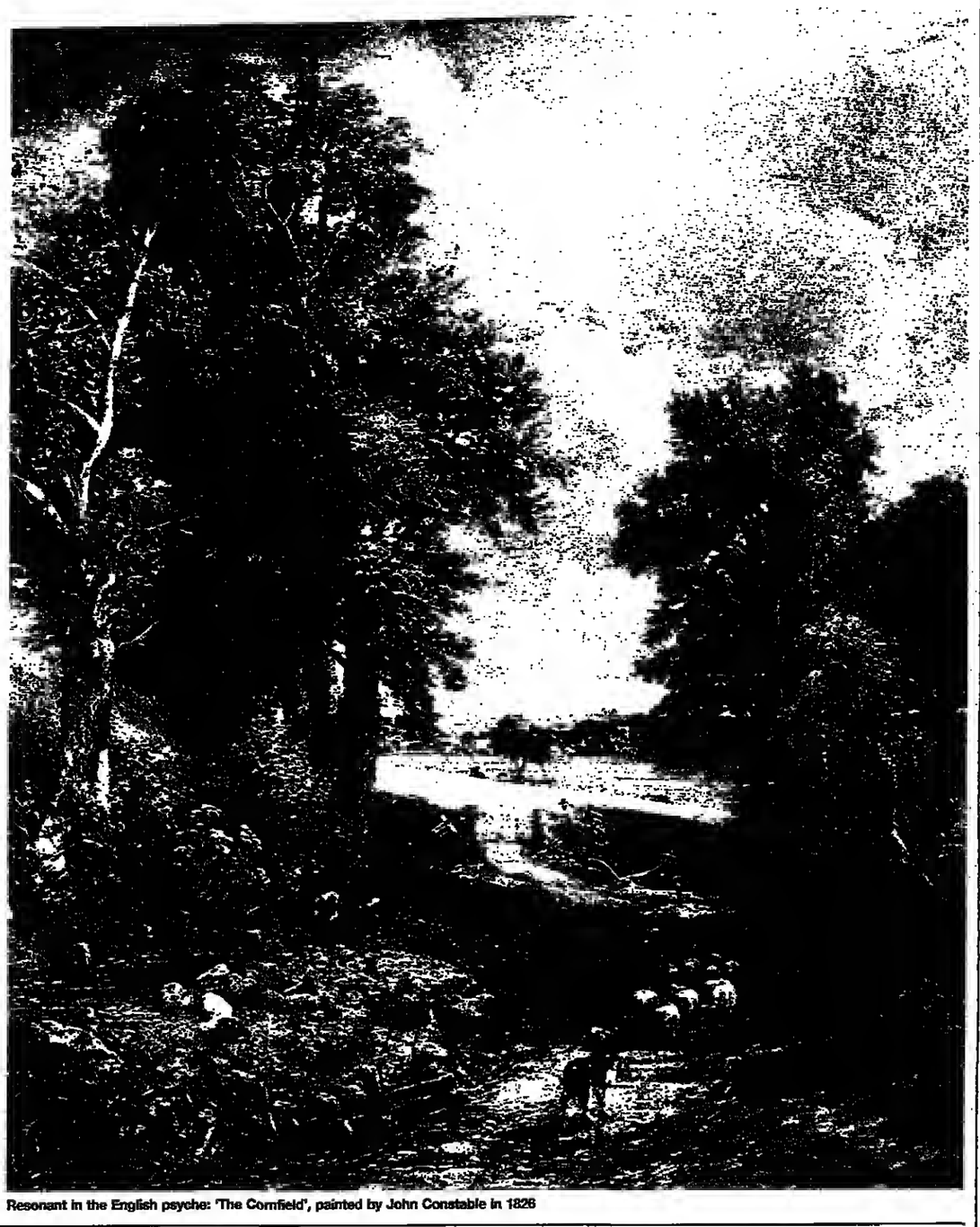
But the objects themselves, delightful, frightful, touching as they are, are only half the point. It is what the proud owners have to say of their treasures that makes the show. Even Frank Auerbach soon moves on from the technicalities that immediately engross him to admit he finds the painting very moving. "For some reason I feel that we have left the sunshine and are entering this dark place..."

Elizabeth Pett has a fireguard. "I have loved this picture for different reasons since I was a teenager...The copies I have owned have been given to me with love so the picture reminds me of love and friendship and the circle of life and death and the past and the future; the older people working in the field and the young child, there, going into the future..."

Ellen Owens has a large framed reproduction above her fireplace. "I like the picture not so much for what you can see, as for what you can't. I'm always wondering what's going on *just round the bend* – behind the trees..." Su Stanton likes the trees. "As a Christian, I see this picture as symbolic of innocence which I feel this world has lost..." Cheap repro may be cheap repro, but that is no reason for not listening to what people say.

Painter allows himself his own wry comment in conclusion. "The so-called post-modern era seems to allow everything. Yet, despite this apparent tolerance, many reasons for valuing images are marginalised or dismissed – reasons which in the past have been important for both artists and patrons, and reasons which continue to be important to many people today." It is a point well made, and worth making.

At Home with Constable's "Cornfield": National Gallery, Trafalgar Square WC2, until April 21; supported by the Bernard Sunley Charitable Foundation.



Resonant in the English psyche: 'The Cornfield', painted by John Constable in 1826

Theatre

Warts and all

"How do/You open a revue/When nobody has ever heard of Stiles and Drewe?"

In this case, you open it with a jolly little self-deprecating number. The writers of the musical *Just So* (staged at the Watermill in 1989) have been nearly-men for several years now and this canter through their back-catalogue, plus new material and a nightly semi-improvised number, is nearly very good.

Composer George Stiles has the pleasant but slightly forced air of Gary Lineker making an after-dinner speech; lyricist Anthony Drewe is more at ease with jollity. They are bolstered by Jenna Russell, whose strength is in delivering straight numbers; former Fabulous Singlette Alison Jiear, a bundle of fun; and Britain's erstwhile favourite choirboy, Aled Jones. Jones is a pleasant surprise: his fine baritone and accomplished stage-musical delivery slough off memories of his surplice days, although he is game enough to tackle a song about an ex-chorister whose winsome career has been wrecked by testosterone.

The material is a mixed bag. Stiles and Drewe are at their most comfortable penning humorous Kit and the Widow-style ditties. There are few great surprises in the subject matter: phone sex, *nouvelle cuisine* and road menders' ill-fitting trousers are all pressed into service, and a number satirizing trainspotters is frankly like shooting fish in a barrel. As against that, one of the strongest and certainly the most daring song of the evening, "Bull inside my china shop", concerns Cretan queen Pasiphae's taste for bovine bestiality – with Jiear crooning innuendoes and Jones making the most of that testosterone. In another slice of the bizarre, the close-harmony "Tiddlywinks" takes its lyrics verbatim from the official rules of the game.

The straighter, usually romantic element is less distinguished. It takes guts to use the word "Limpopo" in a rhapsodic ensemble number but by and large Drewe seems less at home with emotional lyrics, and Stiles' tunes utilise familiar-sounding generic chord progressions without quite becoming hummable.

The team also make a foray into Richard Stilgoe territory by inviting the audience before the interval to supply random words which will be incorporated into a lyric formed during the second half, on the press night "budgerigar", "marmalade" and "existentialism", to name but three, successfully made it into a song which proved exceptionally coherent.

It is perfectly personable stuff. But Styles and Drewe may, I fear, be confined to making a half-decent living from their musical work rather than seeing their names in lights wherever they look in Theatreland.

Ian Shuttleworth

At the Watermill Theatre, Bagnor, near Newbury, until March 16 (01635-46044)

Television/**Christopher Dunkley**

Sculpted to thrill

Murder and detection must be the most popular, or anyway the most common, subjects for television drama. We have police detectives and private detectives, male and female murderers, amateurs and professionals on both sides, costume and contemporary versions. In *Pie In The Sky* the twist is that the police detective has retired to run a restaurant but still has to go back and solve cases for his dim colleagues. In *Murder She Wrote* the detective is a woman who writes books for a living. A hundred series have exploited the notion that the most vicious and horrible crimes occur not in the slums among the poor but amid the quiet desperation of middle-class suburbia, in houses with door chimes, porch lights, and neighbourhood watch schemes.

So why should we bother with *The Sculptress*, a four-part version of Minette Walters' novel adapted by Reg Cadney, which begins on BBC1 this evening, continues tomorrow, and finishes next weekend? The sleuth, Rosalind, is a woman who writes books for a living. The police detective, Hal, has retired from the force to run a restaurant. And the horrific crime at the centre of the story – the slaughter and dismemberment of Gwen Martin and her beautiful daughter Amber – occurs behind the net curtains of a semi-detached house in suburbia. The answer is that every series ought to be considered on its merits and while there is a lot of competent work around (*Inspector Morse, A Touch Of Frost, Hetty Wainthropp Investigates, The Ruth Rendell Mysteries, Agatha Christie's Poirot*), *The Sculptress* is a hit special.

It is one of those tales in which the private life of the investigator is as important as that of the criminal, and the criminal proves to have a shrewder understanding of the detective's problems than vice versa. Nothing awfully original in that, you may say, but the strength first becomes apparent in the writing and playing of the two central female characters. Rosalind is commissioned by her publisher to write a book about "The Sculptress", Olive Martin, who is serving a life sentence for the murder of her mother and sister. Her nickname comes from the manner in which their bodies were carved up. Olive is a great lumbering elephant of a woman, played by Pauline Quirke (best known for *Birds Of A Feather*). Though scarcely a sylph, the actress has been provided with a vast silicon "fat suit" to give her the appearance of a 22-stone monster. However, the peculiar sense of resentment and sinister undertow of threat, all transmitted via that great bulk, come straight from the actress herself.

It is giving nothing away to say that Rosalind quickly comes to doubt that Olive is the murderer, believing rather that she is covering up for someone else. The question is who, and that is where the strength of the narrative lies. It is one of those stories in which the peeling away of each successive layer reveals something even more disturbing underneath.

As more and more sub-plots emerge the viewer begins to wonder whether they can possibly be connected; are most just red herrings? Why is the solicitor so hostile? Why does Rosalind keep experiencing the same flashback to a car approaching a humpback bridge? Why is Hal's restaurant always empty? Why does he blow hot and cold with Rosalind? What is director Stuart Orme trying to tell us by squeezing "Rock Of Ages" onto the soundtrack? Are we supposed to think of Verse 2: "Not the labours of my hands, can fulfil thy law's demands"? Why does Orme not insist that Caroline Goodall deliver *all* Rosalind's lines so that they are audible?

It is fashionable for crime drama to wag a stern finger at the viewer and provide little civic lessons on any number of subjects: child abuse, sexual harassment, Aids awareness, or anything else which has just swum into the makers' ken. Even the otherwise excellent *Cracker* fails to resist the temptation to come on like a Guardian-reading teacher from time to time, as tomorrow's opening episode in the ITV repeat of the *Cracker* story "To Be A Somebody" illustrates. It is one of the virtues of *The Sculptress* that it avoids anything of that sort. Its approach is closer to that of the 1940s film thriller; not quite as baffling as *The Big Sleep*, but closer to the school of *The Maltese Falcon* than that of *A Touch Of Frost*. Furthermore Gavin Finney's photography is outstanding and the locations are fresh and interesting, so it looks good.

A Parisian feast of modern music

David Murray reviews the sixth 'Présences' festival

This weekend concludes Radio France's sixth *Présences*, an intensive three-week festival of new and recent music. As in previous years, it has been a lavish affair. Though all the seats in the Maison de Radio France concert-hall – just a little smaller than London's Queen Elizabeth Hall, I should guess – were free (and generally packed), the *Présences* budget runs to several big-orchestra concerts, many leading French soloists, and an astonishing number of new commissions by Radio France itself.

The festival's director Claude Samuel displays a venturous connoisseur's taste, eclectic but not incoherent. There is perhaps a certain rivalry with the "purist" Boulez encampment just out of town, which was holding a festival of its own (coincidentally?) at the same time, no doubt with similar state support. Yet there was no hostile demarcation: if *Présences* offered a lot of music that Boulez's modernist establishment might disdain, its programmes also featured substantial works by Kaija Saariaho, James Dillon (in the event not performed, because not finished in time) and Magnus Lindberg, every one a dedicated modernist.

Présences likes to have a central theme or two. This year they were (a) new Chinese music (with Oriental flutes and drums in profusion, but I had to miss it all); and (b) a survey of 30 years' subversive work by the urbane Argentinian joker Mauricio Kagel, who turns 65 this year. Though the Huddersfield Festival gave him close attention last November, Radio France could afford to mount some much larger pieces, alongside things like his *Con voce* "for three mute actors", *L'art bruit*, a "solo for two", and his compacted *Rrrrrr*... studies for gloomy winds, contrabasses and percussion.

Kagel has long been a witty, perceptive gadfly on the backs of contemporary-music acolytes. He strikes at unpredictable places, which often turn out to be veins that fashionable composers have worked down to the bone (and his programme-notes read like tongue-in-cheek Borgès). Rather than writing parodies, he strips one or another current manner down to its basic gestures, and then inflates it – gently, quite deadpan – to the point of absurdity.

To take his point, you usually need to be *au fait* with the current scene. So a proper Kagel retrospective must include, as *Présences* did, several squibs whose points will sound sharp only to *aficionados* with long memories; and frankly they date. Once their targets get forgotten, their witty sense is lost. Yet there has always been an original Kagel vein too, however shy and unemphatic, which runs through most of his music. It is surely that, beyond the wide-eyed ironies, which has regularly tempted musicians to take him up: melancholy, plangent, rather haunting.

We heard it in the laconic *Rrrrrr*... pieces, and in his delectable Serenade for flute, guitar and percussion (several flutes, actually, plus mandolin, guitar and a plethora of outlandish drums and rattles); and above all in his raw, disconsolate *Konzertstück* from 1990 – now enhanced with a monstrous timpani part for Jean-Pierre Drouet, who is required to emit banshee howls accompanied by horrid thwacks, and finally to crash headlong into one of his *timbales*.

Sunday evening's concert by the Orchestre National de France, expertly conducted by Paul Daniel, whose appointment as music director of English National Opera was announced this week, was a feast, even without the promised Dillon flute concerto. Thierry Lancino began in the 1970s with electronic music, and worked at Boulez's IRCAM in the '80s. Now, however, he lives in a Cistercian abbey, composing a vast opera after Hermann Broch's *La mort de Virgile*.

We heard Lancino's prelude, "Der Abstieg": an amazing throwback, with loving echoes of Wagner and Berg, scored with finesse for very large orchestra. The opera will be a "vaste parenthèse déclenchée par l'espoir fugitif d'un amour qui sera trahi"; one can hardly wait... There was something for the meditators, too, Kancheli's *V & V*, his latest rumination upon Georgian chants. Gidon Kremer was the devout soloist; the meditators meditated; a few of the audience – unregenerate modernists, no doubt – repined audibly.

The main works were brilliantly achieved. Magnus Lindberg's *Aura* created a sensation at Aldeburgh last summer; his new *Arena* begins more or less where *Aura* left off. If it has not quite the driving force of *Aura*, that is because Lindberg has begun to make room for honest *tunes*. Yes, tunes; *Arena* is one of his friendliest, most approachable scores, and it may signal a new phase in his outstanding career. He is still some way off 40.

Kaija Saariaho, another Finn, had a triumph with her *Graal théâtre*, composed for Kremer. Structurally it has much in common with her *Du cristal*... (heard in London a year or two ago) and ...*à la Fumée* (which still awaits a performance here); but without diminishing her rich orchestral invention, she has written a stunning virtuoso part for her dedicatee. He made the most of it, of course – occasionally one even caught echoes of the Sibelius concerto – to the point where it is hard to imagine another violinist trying it on. I long to hear it again, as soon as possible.

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERT
Concertgebouw Tel: 31-20-5730573
● Gundula Janowitz: accompanied by pianist Kelvin Grout. The soprano performs songs by Schubert, R. Schumann and R. Strauss; 8.15pm; Feb 25
● Mitsuko Uchida: the pianist performs works by Schubert and Schoenberg; 8.15pm; Feb 28
DANCE
Het Muziektheater Tel: 31-20-5518117
● Cinderella: a choreography by Frederick Ashton to music by Prokofiev, performed by Het Nationale Ballet; 8pm; Feb 27, 28; Mar 1
OPERA
Het Muziektheater Tel: 31-20-5518117
● Die Frau ohne Schatten: by R. Strauss. Conducted by Hartmut Haenchen and performed by De Nederlandse Opera. Soloists include Thomas Moser, Ellen Shade, Jane Henschel and Albert Dohmen; 1.30pm; Feb 25

■ BERLIN

CONCERT
Konzerthaus Tel: 49-30-203092100/01
● Schicksalslied: by Brahms. Performed by the Berliner Symphoniker with conductor Alun Francis, the Sing-Akademie zu Berlin and the Singakademie Potsdam; 4pm; Feb 25
● The London Philharmonic: with conductor Franz Welser-Möst perform Brahms' Symphony No.3, Mozart's Symphony No.34, and Stravinsky's Petrushka; 8pm; Mar 1
Philharmonie & Kammermusiksaal Tel: 49-30-254880
● Kammerorchester C.Ph.E. Bach: with conductor Hartmut Haenchen, violinists Thorsten Rosenbusch and Ulrike Eschenburg and cellist Jens-Peter Maintz, perform works by Vivaldi, J.S. Bach, C.P.E. Bach and Haydn; 8pm; Feb 28
OPERA
Deutsche Oper Berlin Tel: 49-30-3438401
● Die Meistersinger von Nürnberg: by Wagner. Conducted by Rafael Frühbeck de Burgos and performed by the Deutsche Oper Berlin. Soloists include Wolfgang Brendel and Eva Johansson; 5pm; Feb 25; Mar 3
Komische Oper Tel: 49-30-202600
● Die Zauberflöte: by Mozart. Conducted by Yakov Kreizberg and performed by the Komische Oper Berlin. Soloists include Korovina, Schellenberg, Sternberger, Kang, Larsson and George; 7pm; Feb 26
Staatsoper Unter den Linden Tel: 49-30-2082861
● Elektra: by R. Strauss. Conducted by Daniel Barenboim and performed by the Staatsoper Unter den Linden. Soloists include Uta Priew, Deborah Polaski, Reiner Goldberg and Falk Struckmann; 8pm; Mar 3

■ BOLOGNA

CONCERT
Teatro Comunale di Bologna Tel: 39-51-529999
● Alban Berg Quartet: with pianist Rudolf Buchbinder perform works by Mozart, Berio and R. Schumann; 9pm; Mar 1
OPERA
Teatro Comunale di Bologna Tel: 39-51-529999
● Anna Bolena: by Donizetti. Conduced by Evelino Pidò and performed by the Teatro Comunale di Bologna. Soloists include Luciana Serra, José Broos, Sonia Granassi and Carlo Colombara; 3.30pm; Feb 25

■ BOSTON

CONCERT
Boston Symphony Hall Tel: 1-617-266-1492
● Boston Symphony Orchestra: with conductor Marek Janowski and pianist Richard Goode perform Mozart's Symphony No.25 and Piano Concerto in B flat, KV 595, and Reger's Variations and Fugue on a Theme of Mozart; 8pm; Feb 29; Mar 1 (1.30pm), 2

■ BRUSSELS

EXHIBITION
Palais des Beaux-Arts Tel: 32-2-5078466
● August Sander; Le Pont Transbordeur: exhibition devoted to the work of the German photographer August Sander. The display includes historical documents and more than 200 photographs, including photographs for his life-work Menschen des 20 Jahrhunderts (People of the 20th Century); from Mar 1 to May 12

■ CHICAGO

CONCERT
Orchestra Hall Tel: 1-312-435-6666
● Chicago Symphony Orchestra: with conductor Daniele Gatti and pianist Alicia de Larrocha perform works by Corigliano, Mozart and Shostakovich; 8pm; Feb 29; Mar 1 (1.30pm), 2, 3 (3pm), 5 (7.30pm)

■ CAPETOWN

CONCERT
City Hall Tel: 27-21-4617084
● The Cape Town Symphony Orchestra: with conductor Jorge Mester and clarinettist Douglas Masek perform works by Sculthrope, Klatzow and Lutoslawski; 8pm; Feb 29


'A Lady Writing' c.1665 by Vermeer, at The Hague

JAZZ & BLUES
Nico Theatre Complex Tel: 27-21-215470
● Guitar Summit: featuring Tal Farlow, Johnnie Fourie, Cal Collins, Alan Kwela, Royce Campbell and Jimmy Dludlu. Part of the International Jazz Festival; 2pm; Mar 2

■ COLOGNE

CONCERT
Kölner Philharmonie Tel: 49-221-2040820
● András Schiff: the pianist performs works by Bartók and Haydn; 8pm; Feb 28
● Kölner Rundfunk-Sinfonie-Orchester: with conductor Emmanuel Krivine, pianist Andreas Haefliger and organist Matthias Eisenberg perform Beethoven's Piano Concerto No.1 and Saint-Saëns' Symphony No.3; 8pm; Mar 2
OPERA
Opernhaus Tel: 49-221-2218240
● Eugene Onegin: by Tchaikovsky. Conducted by David Levi and performed by the Oper Köln. Soloists include Helga Dernesch, Susan Anthony, Ute Döring, Andrzej Dobber, Gabriel Sadé and Dieter Schweikart; 7.30pm; Feb 29

■ DRESDEN

CONCERT
Sächsische Staatsoper Dresden Tel: 49-351-49110
● Dame Gwyneth Jones: accompanied by pianist Homero Francesch. The soprano performs songs by Wagner, R. Schumann, Berg and R. Strauss; 8pm; Feb 25
● Sächsische Staatskapelle Dresden: with conductor Muhai Tang and cellist Jan Vogler perform the overture to Glinka's Ruslan and Lyudmila, Shostakovich's Cello Concerto No.1, and Tchaikovsky's Symphony No.4; 8pm; Feb 25 (11am), 26, 27

■ DUBLIN

CONCERT
National Concert Hall - Geoláras Náisiúnta Tel: 353-1-6711533
● National Symphony Orchestra: with conductor Kasper de Roo and pianist Homero Francesch perform works by Mozart and Shostakovich; 8pm; Feb 29

■ EDINBURGH

CONCERT
Edinburgh Festival Theatre Tel: 44-131-5296000
● BBC Scottish Symphony Orchestra: with conductor Yoav Talmi and soprano Inger Dam Jensen perform works by Mozart, R. Strauss and Rachmaninov; 7.30pm; Feb 25

■ FRANKFURT AM MAIN

CONCERT
Jahrhunderthalle Hoechst Tel: 49-69-3601240
● Bamberger Symphoniker: with conductor Herbert Blomstedt and violinist Sarah Chang perform works by Sibelius and Bruckner; 8pm; Mar 1

■ GENEVA

CONCERT
Victoria Hall Tel: 41-22-3283573
● Orchestre de la Suisse Romande: with conductor Armin Jordan and violinist Jean Piguet perform Beethoven's Violin Concerto and Ravel's Boléro and Valses nobles et sentimentales; 8.30pm; Feb 28

■ HAMBURG

CONCERT
Hamburgische Staatsoper Tel: 49-40-351721
● Winterreise: by Schubert. Performed by bass Kurt Moll, accompanied by pianist Stefan Irnir; 8pm; Mar 1
Musikhalle Hamburg Tel: 49-40-346920
● Ivo Pogorelich: the pianist performs works by Rachmaninov, J.S. Bach, Beethoven and Chopin; 7.30pm; Feb 27
● The London Philharmonic Orchestra: with conductor Franz Welser-Möst and violinist Christian Tetzlaff perform works by Mozart, Beethoven and Brahms; 7.30pm; Feb 29

■ HELSINKI

DANCE
Opera House Tel: 358-0-403021
● Don Quixote: a choreography by Bart/Petipa to music by Minkus, performed by the Helsinki Ballet. Soloists include Jessica Keilaren, Jukka Aromaa and Jorma Uotinen; 7pm; Feb 27; Mar 5

■ HOUSTON

EXHIBITION
Museum of Fine Arts Tel: 1-713-639-7300
● Jackson Pollock: Works on Paper: exhibition of 34 drawings created between 1939 and 1956 by Jackson Pollock, one of the leaders of Abstract Expressionism. All of the works come from the Pollock estate, and most are sketchbook or working drawings that provide insight into Pollock's development in this period; from Mar 2 to Jun 30

■ LILLE

CONCERT
Opéra de Lille Tel: 33-20 06 88 04
● Kathleen Battle: accompanied by pianist Cliff Jackson. The soprano performs opera songs and arias; 8pm; Feb 26

■ LISBON

CONCERT
Grande Auditório da Fundação Gulbenkian Tel: 351-1-7935131
● Sylvia McNair: accompanied by pianist Roger Vignoles. The soprano performs songs by Haydn, Schubert, Messiaen, Poulenc and Bizet; 8.30pm; Feb 26

■ LONDON

ART & ANTIQUE FAIR
Olympia Tel: 44-171-6033344
● The Fine Art and Antiques Fair: the spring Olympia fair now in its third year, with more than 130 dealers from Europe and the US showing contemporary and traditional works, including furniture, porcelain, ceramics and glass, watercolours, oils and Old Master drawings, clocks and barometers, silver, jewels, enamels and textiles. The fair is accompanied by an exhibition of about 50 works by the 20th century British artists Francis Bacon and Henry Moore; from Feb 27 to Mar 3
AUCTION
Christie's South Kensington Tel: 44-171-5817611
● Transport Memorabilia and Models: this sale includes a rare model of the Volkswagen Beetle. By 1938, the first test car of a design overseen by Dr F. Porsche was produced and five models were made in the Porsche Apprentice School in Stuttgart-Zuffenhausen. The models were numbered 1 through 5 and were presented to those closely involved in the design of the Beetle. Model No.3 is to be sold; 10.30am & 2pm; Feb 29
CONCERT
Barbican Hall Tel: 44-171-6388891
● London Symphony Orchestra: with conductor Colin Davis, violinist Dmitri Vassiliev and viola-player Yuri Bashmet, perform Mozart's Sinfonia Concertante in E flat for violin and viola, and Bruckner's Symphony No.7; 7.30pm; Feb 29
Wigmore Hall Tel: 44-171-9352141
● Nigel North: the lutist performs J.S. Bach's Suite No.1 in C, Suite No.2 in A minor, and Suite No.4 in B flat; 4pm; Feb 25
EXHIBITION
Dulwich Picture Gallery Tel: 44-181-6935254
● Soane and Death: drawings from the Sir John Soane's Museum on the theme of tombs and monuments is displayed in an exhibition exploring Soane's interest in memorials and death rituals; from Feb 29 to May 12
Queens Gallery Tel: 44-171-9304832
● Leonardo da Vinci: Drawings: this exhibition includes preparatory sketches for paintings such as the "Adoration of the Magi" and the "The Last Supper", designs for equestrian monuments, war machines and costumes for court entertainment. Also on display are studies revealing Da Vinci's enduring interest in water and flight, and his studies in anatomy; from Mar 1 to Jan 12
OPERA
Royal Opera House – Covent Garden Tel: 44-171-2129234
● Götterdämmerung: by Wagner. Conducted by Bernard Haitink and performed by The Royal Opera. Soloists include Anne Evans, Vivian Tierney, Jane Henschel and Judith Howarth; 4.30pm; Feb 27; Mar 2

■ LOS ANGELES

OPERA
Dorothy Chandler Pavilion Tel: 1-213-972-8001
● Cosi fan tutte: by Mozart. Conducted by Ingo Metzmacher and performed by the Los Angeles Opera. Soloists include Hillevi Martinpelto, Frederica von Stade and Michael Schade; 7.30pm; Feb 27; Mar 2 (1pm), 4, 7, 9

■ LUXEMBOURG

CONCERT
Théâtre Municipal Tel: 352-470895
● Orchestre Philharmonique du Luxembourg: with conductor Alexander Dmitriev and pianist Deszö Ranki perform Scriabin's Symphony No.1, R. Schumann's Piano Concerto, and Debussy's La Mer; 8pm; Feb 29; Mar 1

■ MAASTRICHT

CONCERT
Theater aan het Vrijthof Tel: 31-43-3293179
● Residentie Orkest: with conductor Evgeny Svetlanov, cellist Mihaela Martin, violinist Frans Helmerson and pianist Roland Pöntinen perform Beethoven's Triple Concerto for piano, violin and violoncello, Op.56 and Tchaikovsky's The Seasons; 8.15pm; Mar 1

■ MADRID

CONCERT
Teatro de la Zarzuela Tel: 34-1-4298225/6
● Anne-Sofie von Otter: accompanied by pianist Bengt Forsberg. The mezzo-soprano performs songs by Grieg, Sibelius and R. Strauss; 8pm; Feb 26

■ MUNICH

CONCERT
Philharmonie im Gasteig Tel: 49-89-48098506
● Bolshoi Symphony Orchestra: with conductor Alexander Lazarev and violinist Dimitry Sitkovetsky perform Tchaikovsky's Violin Concerto in D major and Schubert's Symphony No.8; 8pm; Feb 27
● Gewandhausorchester: with conductor Kurt Masur perform Beethoven's Leonora No.3 and Symphony No.1; 8pm; Feb 25
EXHIBITION
Kunsthalle der Hypo-Kulturstiftung Tel: 49-89-224412
● Das alte China. Menschen und Götter im Reich der Mitte; the exhibition shows 120 objects from Chinese museums and collections, spanning 5,000 years of Chinese culture. The main part of the exhibits are new archeological discoveries that have never been on show before and include earthenware figures from the tomb of Dame Fu Hao (1300BC). After Munich, the exhibition will travel to Zurich, London and Humlebaeck; to Mar 3
OPERA
Cuvilliés-Theater – Altes Residenztheater Tel: 49-89-296836
● Serse: by Handel. Conducted by Ivor Bolton and performed by the Bayerische Staatsoper. Soloists include Ann Murray, Kathleen Kuhlmann, Christopher Robson and Julie Kaufmann; 11am; Feb 25

■ NEW YORK

CONCERT
Avery Fisher Hall Tel: 1-212-875-5030
● Anne-Sophie Mutter and Lambert Orkis: the violinist and pianist perform works by Brahms, Debussy, Rihm, Bartók, Wieniawski and Sarasate; 3pm; Feb 25
● Moscow Virtuosi: with conductor Vladimir Spivakov and pianist Igor Tchetouev perform works by Strauss, Mozart and Tchaikovsky; 8pm; Feb 28
EXHIBITION
Carnegie Hall Tel: 1-212-247-7800
● Exhibit on the Beethoven Piano Sonatas: an exhibition mounted at the Rose Museum at Carnegie Hall, devoted to the Beethoven piano sonatas. For the first time in its history, the Beethoven House Archives in Bonn have allowed material to be loaned for display in the US. The exhibition coincides with concerts given by Maurizio Pollini as part of his performance of the complete Beethoven piano sonata cycle during the 1995-96 season; from Feb 27 to May 27
Whitney Museum of American Art Tel: 1-212-570-3633
● Kienholz: A Retrospective: this exhibition presents the full range of Kienholz' own work and his 20 years of collaboration with his wife and partner, Nancy Reddin Kienholz. More than 100 pieces, ranging from intimate objects to house-scale environments, are displayed; from Feb 29 to Jun 2
OPERA
Metropolitan Opera House Tel: 1-212-362-6000
● Cosi fan tutte: by Mozart. Conducted by James Levine and performed by the Metropolitan Opera. Soloists include Carol Vaness, Cecilia Bartoli, Jerry Hadley (Feb 27, Mar 2) and Paul Groves (Mar 5, 9); 8pm; Feb 27; Mar 2, 5, 9

■ PARIS

CONCERT
Maison de Radio France Tel: 33-1 42 30 22 22
● Orchestre National de France: with conductor Frédéric Chaslin and pianist Leif Ove Andsnes perform works by Liebermann, Britten and Messiaen; 8pm; Feb 26
● Orchestre Philharmonique de Radio France: with conductor Bruno Weil and flutist Thomas Prévost perform works by J.S. Bach, Respighi, Beethoven and Haydn; 8pm; Feb 29
Notre-Dame de Paris Tel: 33-1 42 34 56 10
● Chapelle de Notre-Dame: with conductor Nicole Corti perform works by Lalouette and Campra; 8.30pm; Feb 27
Salle Pleyel Tel: 33-1 45 61 53 00
● Ensemble Orchestral de Paris: with conductor/cellist Heinrich Schiff perform works by Haydn, Dutilleux and Beethoven; 8pm; Feb 27
EXHIBITION
Galeries Nationales du Grand Palais Tel: 33-1 44 13 17 17
● Corot: retrospective exhibition devoted to the work of this French painter of landscape and portraits (1796-1875). The display includes about 150 works from European and American collections; from Mar 2 to May 27
OPERA
Théâtre du Châtelet Tel: 33-1 42 33 00 00
● Don Carlos: by Verdi. Conducted by Antonio Pappano and performed by the Opéra de Châtelet. Soloists include Roberto Alagna, Karita Mattila, Thomas Hampson and José van Dam; 6.30pm; Feb 27; Mar 1, 4, 7
Théâtre National de l'Opéra – Opéra Garnier Fax: 33-1 42 66 50 22
● Cosi fan tutte: by Mozart. Conducted by Jeffrey Tate and performed by the Opéra National de Paris. Soloists include Susan Chilcott, Susan Graham, Rainer Trost and Simon Keenlyside; 7.30pm; Mar 5, 7
THEATRE
Comédie Française, salle Richelieu Tel: 33-1 40 15 00 15
● Le Misanthrope: by Molière. Directed by Simon Eine, starring Alain Pralon, François Beaulieu, Dominique Constanza and Yves Gase; 8.30pm; Feb 25; Mar 1, 2 (2.30pm), 8, 9 (2.30pm)

■ SAN FRANCISCO

CONCERT
Louise M. Davies Symphony Hall Tel: 1-415-864-6000
● Yo-Yo Ma and Jeffrey Kahane: the cellist and pianist perform works by Fauré, Debussy, Messiaen and Franck; 8pm; Feb 28

■ SEATTLE

EXHIBITION
Seattle Art Museum Tel: 1-206-625-8900
● Willem DeKooning in Seattle: from the female figure to his various approaches to the abstracted landscape, this survey of paintings, drawings and sculpture provides an overview of DeKooning's 40-year career. The exhibits come from the private and public collections in the Seattle area; to Mar 3

■ SYDNEY

OPERA
Drama Theatre, Opera Theatre, Playhouse Tel: 81-2-250-7127
● Fidelio: by Beethoven. Conducted by Richard Hickox and performed by The Australian Opera. Soloists include Wendy Dixon, Kathryn McCusker, Horst Hoffman, Michael Terry and Robert Allman; 7.30pm; Feb 27; Mar 1, 4, 6

■ THE HAGUE

CONCERT
Dr Anton Philipszaal Tel: 31-70-3607925
● Residentie Orkest: with conductor Evgeny Svetlanov, violinist Mihaela Martin, cellist Frans Helmerson and pianist Roland Pöntinen perform works by Beethoven and Tchaikovsky; 8.15pm; Mar 2, 3 (2.15pm)
EXHIBITION
Mauritshuis Tel: 31-70-3469244
● Johannes Vermeer: the first presentation devoted solely to the art of the Dutch painter Johannes Vermeer (1632-1675) presents 21 of the existing 35 works known to have been painted by this master who lived and worked in Delft. Nine paintings have been restored for the exhibition; from Mar 1 to Jun 2

■ VIENNA

CONCERT
Konzerthaus Tel: 43-1-7121211
● Camerata Academica: with conductor Sándor Végh and violinist Kyung Wha Chung perform works by Haydn and Beethoven; 7.30pm; Feb 28, 29
● Mitsuko Uchida: the pianist performs works by Schoenberg and Mozart; 7.30pm; Feb 26
Musikverein Tel: 43-1-5058881
● András Schiff: the pianist performs works by Bartók and Haydn; 7.30pm; Feb 25
OPERA
Wiener Staatsoper Tel: 43-1-514442960
● Fidelio: by Beethoven. Conducted by Simone Young and performed by the Wiener Staatsoper. Soloists include Hildegard Behrens, Juliane Banse, Peter Winbergh and Franz-J. Kapellmann; 7pm; Feb 28; Mar 1
● Peter Grimes: by Britten. Conducted by Mstislav Rostropovich and performed by the Wiener Staatsoper. Soloists include Nell Shicoff, Nancy Gustafson and Wicus Slabbert; 7pm; Feb 25, 29

■ WASHINGTON

OPERA
Opera House Tel: 1-202-416-4600
● Mefistofele: by Boito. Conducted by John DeMain and performed by The Washington Opera. Soloistst include bass Samuel Ramey, tenors William Joyner and Gary Pate, soprano Nelly Miricioiu and mezzo-soprano Marianne Cometti; 8pm; Feb 29 (7pm); Mar 3 (2pm), 5, 8

■ ZURICH

OPERA
Opernhaus Zürich Tel: 41-1-268 6666
● Il Barbiere di Siviglia: by Rossini. Conducted by Lodovico Zocche and performed by the Oper Zürich. Soloists include mezzo-soprano Vessefina Kasarova, soprano Ruth Rohner, tenor Reinaldo Macias, baritone Carlos Alvarez and bass Jozsef Dene; 8pm; Feb 29

CHESS

Garry Kasparov emerged with his reputation only slightly dented this week when he beat the IBM super-computer Deep Blue 4-2 in Philadelphia.

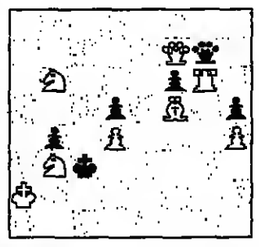
Kasparov could point to an impressive final game and to some siliconly wooden play from his opponent as vindication of his self-eppointed role as chief defender of human reason.

The verdict could easily have been very different. With the score 2-2, Kasparov offered e draw in the fifth game. Deep Blue, strangely, was not programmed to conduct its own peace negotiations so its operator, no expert player he, declined. Almost immediately the computer made a series of poor moves and subsided into a lost endgame.

The operator lemely explained that he had refused "in the interests of science"; if Deep Blue had won the match, its programmers would have shared £240,000.

Will e return match, desired by both sides, favour Kasparov, who finally exploited the machine's weakness in dull locked positions, or IBM, whose researchers may well enable Deep Blue to calculate several more million moves per second? The jury is still out (Kasparov, White; Deep Blue, Black; 6th game). 1 Nf3 d5 2 d4 c6 3 c4 e6 4 Nbd2 Nf6 5 e3 c5 6 b3 Nc6 7 Bb2 cxd4 8 exd4 Be7 9 Rc1 0-0 10 Bd3 Bd7 11 0-0 Nh5? 12 Re1 Nf4 13 Bb1 Bd6 14 g3 Ng6 15 Ne5 Rc8 16 Nxd7 Qxd7 17 Nf3 Bb4? 18 Re3 Rfd8 19 h4! Nge7 20 a3 Ba5 21 b4 Bc7 22 c5 Re8 23 Qd3 g6 24 Re2 Nf5 25 Bc3 h5 26 b5 Nce7 27 Bd2 Kg7 28 e4 Ra8 29 a5 a6 30 b6 Bb8 31 Bc2 Nc6 32 Ba4 Re7 33 Bc3! Ne5 34 dxe5 Qxa4 35 Nd4 Nxd4 36 Qxd4 Qd7 37 Bd2 Re8 38 Bg5 Rc8 39 Bf6+ Kh7 40 c6! bxc6 41 Qc5 Kh6 42 Rb2 Qb7 43 Rb4 Resigns.

No 1116



White mates in two moves, against any defence (by A Altmann). A trap here catches many solvers.

Solution Page II

Leonard Barden

BRIDGE

Charlie was e member of my club. His bidding and card play were not good, but they were as nothing compared with his remarks, which betrayed a total ignorance of what was going on. The hand comes from rubber bridge:

N
♠ A 10 8
♥ 10 7 2
♦ A K 9 7
♣ K 9 8

W
♠ 7 6 4
♥ A K
♦ Q 8 3
♣ A Q J 10 6

E
♠ 5 2
♥ Q 9 8 5 3
♦ J 10 6 2
♣ 4 2

S
♠ K Q J 9 3
♥ J 6 4
♦ 5 4
♣ 7 5 3

Both sides were vulnerable, but North-South had a part-score of 40 when West opened with one club. North doubled, East said one heart. South said one spade, West re-bid three clubs, and North's three spades ended the auction.

South and East were internationals, West was Charlie. He cashed ace and king of hearts, switched to ace of clubs and continued with the queen. Winning with dummy's king, declarer proceeded to play with great skill. Complete elimination was impossible because he could not draw three rounds of trumps, so he planned partial elimination against East.

Cashing the top diamonds, he ruffed e diamond with his spade nine, crossed to the eight of spades, ruffed another diamond and crossed to the spade ace. The scene was set for partial elimination. The heart 10 was led, but East brilliantly played low, escaping the endplay and forcing his partner to ruff and defeat the contract with his club knave.

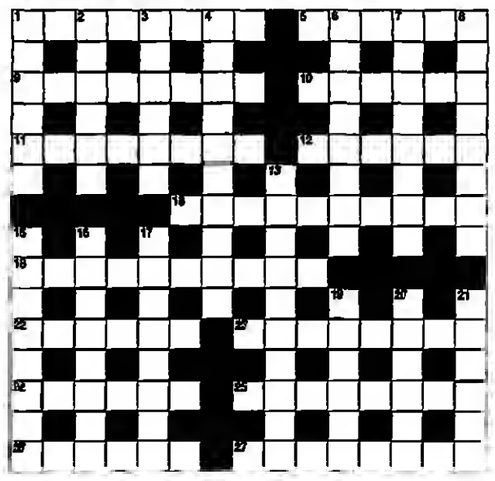
Charlie caught sight of his partner's heart queen on the table and asked, in e hurt voice, why he did not win the trick with it and save West's trump. And answer came there none.

E.P.C Cotter

CROSSWORD

No. 9,002 Set by CINEPHILE

A prize of a classic Pelikan Souverän 800 fountain pen for the first correct solution opened and five runner-up prizes of £35 Pelikan vouchers. Solutions by Wednesday March 6, marked Crossword 9,002 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday March 9.



Name.....

Address.....

ACROSS
1 Tact is e treat at the table (8)
5 Grasp that the eggs are in the motor? (6)
9 Life – I'm against it in Italy (8)
10 Bird with some beautiful markings (6)
11 Dick and Moll involved in potentially shaky drink (4,4)
12 Sung or said at church? (6)
14 Not prepared to indicate where missing links came from? (3,3,4)
18 Familiar with religious scene outside South Africa (10)
22 Scold insect that's eaten rodent (6)
23 Where to grow broccoli in Italy? (Key for song about Labour) (8)
24 Look at without gambling? (6)
25 Chase old characters from black hole? (4,4)
26 Leicester once in Worcester? Failed line in landscape (6)
27 Poet gives number to New York issue (8)

DOWN
1 The scheme is an emblem of French immorality (6)
2 Letters, briefly, some of them in lower case? (6)
3 A pillar of the paper? (6)
4 Reduce and flesh it out in sepia (10)
6 Mirth – expression of disgust comes in afterwards (8)
7 Shy of taking up suit outside changing room (8)
8 Militant, perhaps, turning the wheel violently? (4,4)
13 Model in footwear, singular and unique (5,5)
15 Strikebreaker has poet as cover for weapon (8)
16 Not afraid to make diner tip (8)
17 Write a story about a hundred, the magic figure (8)
19, 20 Flatfoot's bridge collapsed? (6,6)
21 Source of danger to the Yard? (6)

Solution 9,001

MUSCLE HANDSOME
U N A T I V N
SHOOOY NOGSHSAO
I S I S P P R O
COMEDOWN PORTER
A A A A U S B
LIKE BRINGACABE
E T T S L C
STRAISNTEN ACSS
C O Y A R O T
SEPIED STRSAMER
P I M P S P P I
TAXPAYSR DAMASK
I I R R I N S
CHECKOUT PRAYER

Solution 8,990

BLITHE SPIRIT
A N U S I S
CROQUET CREVICE
O U A T C E N
UNDERNEATH TENT
S D L E I
ATTIC LAMEduck
G R S I A
TRIPTYCH NODAL
S A I N S
DELL EXPRESSIVE
M A A B S K I
BELVABE CONTEST
N E L T O I
TURKEY CARPET

WINNERS 8,990: M. Murray, Bangor, Gwynedd; J.R. Abram, Goose Green, Lancashire; P.J. Gray, Tunbridge Wells, Kent; Carolyn Murphy, Upper Poppleton, York; Sheila Rimmer, Thornton, Liverpool; P. Wilson, Kettering, Northants.

James Morgan

The inexorable law of politics

If you want an honest leader, choose one whose expressed aspirations conflict with what you know of their personality

Think before you vote for someone who is totally consistent. Look at Steve Forbes who failed in the New Hampshire primary this week. If we know he has a fortune of $300m, we cannot doubt his sincerity when he proclaims his opposition to a progressive income tax.

Now take a single fact about Pat Buchanan, the victorious "conservative" contender, and all else follows. His father was an admirer of General Francisco Franco, the Spanish dictator. So the son espouses a creed that ineluctably flows from that. He is against free trade, he is against "big business" and wants investment to be directed so as to assure job security for Americans. He dislikes liberals, homosexuals and feminists. He seems to think Jews are not really American.

But when we consider Senator Bob Dole we have little idea as to *what he might actually do as president*. He may not be given the chance to prove again the ancient truth that those who seek public office and who have no obvious principles are more interesting than those who have many. They either make up policy as it becomes necessary – like Harold Wilson in Britain in the 1960s. Or, much better, they acquire principles along the way – like Margaret Thatcher. The early Thatcher appeared as a vague free-market force who spoke a lot about tradition. She then wrecked whole layers of tradition and restructured most of the nation's ancient institutions.

Later she espoused policies that seemed all of a piece. The people and her party tired of her as one consistent policy after another was bulldozed through regardless of realism or relevance. Today her views are reported insofar as they have an impact upon the activities and standing of her successor.

Thus interesting and successful politicians are those who do the unexpected, those who pick up ideas and novelties along the way. This is why American conservatives are becoming boring.

If there were to be a President Buchanan one could foresee with utter certainty the dismal years that would follow any successful implementation of his campaign promises. There would be burdensome tariffs on many imported items. Other countries would retaliate. There would be *testing*, heart-wrenching cases where young women would go on trial for having sought an abortion having been made pregnant by a rapist. The ideal society would be a land of pro-lifers where everyone carried a gun.

The most interesting presidents in this century have been those who came to power with no apparent fixed system of beliefs – Roosevelt (the second), Truman and Reagan. They picked up ideas on the hoof, they turned pragmatism into principle and, in their ways, were successful.

The men of honour and conviction who entered the US Congress the year before last have become the men-of-the-year-before-last. Their principles appear as little more than a rancorous anti-Robin Hood orthodoxy. Their leader, Newt Gingrich, has been devoured by their revolution.

The really interesting politicians are those who coin new, meaningless clichés which bind them to nothing. "We have nothing to fear but fear itself." "Morning in America." "There is no such thing as society." These were the pronouncements of those who, in their time and posthumously, are seen as the most principled of politicians. But none published a book proclaiming their beliefs before they came to power. Hitler and Lenin did. They behaved with utter consistency and are judged to be unprincipled gangsters.

The law of politics seems inexorable. If you want an honest leader, choose one whose expressed aspirations conflict with what you know of their personality. (On her accession, Thatcher promised to bring harmony where there was discord.) If you want commitment, choose the uncommitted. If you want principles, choose the unprincipled. If you know what a politician will do when elected, vote for someone else.

■ *James Morgan is economics correspondent of the BBC World Service.*

Deborah Bull, the ballerina: 'They should see the conditions we're working in' Tony Andrews

Private View / **Christian Tyler**

Dancer thinks on her feet

Step across the roaring, fuming traffic of London's Great West Road into the rehearsal rooms of the Royal Ballet, and you step into another world.

The overheated corridors are thronged with skimpily clad dancers who pat each other familiarly as they scurry between practice rooms. Watching these delicate creatures with their tough, androgynous bodies, the well-padded visitor feels as inconspicuous as an ox in an aviary.

The ballet can, indeed, become the whole world for dancers who arrive here at the age of 16 from the company's preparatory school in Richmond Park, and who spend much of their lives learning and drilling in these same rooms.

But not for Deborah Bull, one of the Royal Ballet's half-dozen principal dancers.

While an estimated 2.5m British television viewers have been gripped these past six weeks) by *The House*, a fly-on-the-wall, no-holds-barred BBC documentary on life backstage at the Royal Opera House, Covent Garden, Bull has emerged as a defender of public subsidy for the arts more eloquent than any professional tin-rattler.

This week the Royal Ballet celebrates its 50th anniversary. Last month the Oxford Union – that debating nursery for British parliamentarians – asked Covent Garden for a ballerina to defend Britain's funding of the arts from the National Lottery, it was Deborah Bull, rather than her fellow principal the better-known Darcey Bussell, whom they put in to bat.

Witnesses declared afterwards that it was Bull, more than her practised co-defendants Jeremy Isaacs and Lord Gowrie, who carried the day to defeat the hostile motion.

But for one appearance at a medical conference, she had never spoken in public before.

Did you write your own speech? I asked.

"I certainly did," she said firmly. "It's a subject one's constantly living with rather than thinking about, so I did have to collect my ideas – I had to turn my feelings into thoughts. It was quite strange. It's always strange for a dancer to hear her own voice. We never speak. It's a silent art."

Bull is self-possessed, quick and open. Her tongue is as agile with words as her toes are with music. "I have to say I was quite enjoying myself," she added.

I suppose it is a common prejudice that ballerinas are airheads with their brains in their feet?

"It's a very common prejudice. On the stage we do what we're told to do, and that becomes an easy escape – in life, too. If you have a *corps de ballet* of 32 questioning every step then you don't have a *corps de ballet*. So we're not really encouraged to question and to make decisions, and I still sometimes panic over them."

For Bull, who went to the ballet school in Richmond Park at the age of 11, the Oxford visit was her first and only experience of university. She did well academically, however, especially in English and French, and keeps in touch with the world by writing articles and reading newspapers. She also has a good memory "for steps, telephone numbers and postcodes – those sort of things".

I asked if she thought the TV series was a public relations mistake.

"I don't think it is. Of course, it's not good to see people bickering, being fired, bad decisions being made. But if it opens people's eyes to the fact that there *is* an opera house and we *are* doing good, interesting work, and that we are opening our doors to people, that's good.

"There's been a lot of fuss about the lottery grant and the Arts Council grant. So they should see the conditions we're working in."

During the Oxford Union debate, Floella Benjamin, a TV presenter speaking for the motion, used the term "arty-farty". Did that ring a bell, I asked her.

"Yes it does, of course. We call it 'art with a capital F'. One has to admit that some of the art that goes on is slightly pretentious and esoteric. But there is a line to which one can stretch, and I don't think things should be mocked and derided just because they're difficult."

When a £55m capital grant to the Royal Opera House from the lottery was announced last year, The Sun newspaper welcomed the news with a V-sign logo and the words "Up Yer Arias". How did she explain such abuse?

"I think the mockery comes from fear – fear of not understanding and fear of being laughed at. And we're all subject to that." Slyly she added: "It's the reason I would not go and play a game of tennis with you.

"We've become, sadly, a world which is rather hard. The soft side that we all have in us somewhere – you know, the side that comes out when your child's born, or, for me, when I watch *The Railway Children* – we've become terribly good at locking that up."

Why do you think that is?

"It's fashionable. It's very hip not to care. But also life is pretty tough, and sensitivity is seen as a weakness. Out there you need to keep your armour intact. So if you don't massage that little area from birth it can get rather shrivelled. It's like a muscle you don't exercise."

Some people "genuinely" had no interest in art. That was their right, she said. But there were many more who had been told it was "not for the likes of us, only for the likes of them". She agreed it was a peculiarly British attitude. In Russia, opera and ballet were for everybody. In Italy, when the Fenice opera house burned down, people cried in the streets. "In England, we are a class-ridden society still, unfortunately."

> She also has a good memory 'for steps, telephone numbers and postcodes – those sort of things'

The paradox was that although "high" art had always been patronised by the rich, much of the creativity and many of the performers had come from among the poor. So it was wrong for newspapers supposedly speaking for the working classes to spread such animosity.

"Were the tabloids going to complain on my behalf when the Sports Council started handing out its lottery money?" she said. "Would it be front-page news that Arsenal got whatever they got? It really is a matter of taste, and there's room for everybody. That's what I thought democracy was. It's why we can have a Sun newspaper, isn't it?"

But with the lottery aren't the poor paying for the pleasures of the rich? "No, absolutely not. Because they're not the pleasures of the rich."

Of the educated middle class, then?

"No, they're not. Because those aren't the people who come to the Opera House. Yes, they do come, but they're only part *of* it."

She agreed it was difficult to transmit to a generation spoiled by the techno-marvels of the cinema or musical theatre the appeal of grand opera or classical ballet.

"It is slightly archaic. But they are hearing live music, seeing real people dance, and sitting in a 19th century building. It's the whole experience, which people really do respond to, once they have a route in – that's all they need."

Bull's own way in was not glamorous, nor was it untypical. She was born in the back streets of Derby, the youngest of four girls. Her mother qualified as a teacher of ballroom dancing and her father, formerly a travelling salesman, was ordained a vicar when she was five.

She was "discovered" by her first ballet teacher when the family moved to Lincolnshire and was sent to London for audition. "Every little girl wants to be a ballet dancer," she said, "whatever the class of family. Which is why it's so weird that when that child is 18, or 28, or 38 it is knocking the ballet."

She became one of an élite at an age when such elevation can turn the head. Looking back, she feels she was probably a little boastful about it and said "hurtful things at home".

I asked her to define the meaning of "élite".

"This is something I had to think about a lot before I spoke at Oxford. I looked it up. There is no sense of exclusion: it means 'chosen' or 'elected'.

"So I thought: In what way are we a chosen bunch? The thing that separates me from you is that I have talent as a ballet dancer where you have talent as a writer. [Here the writer demurred modestly, not sensing what was to come.]

"So if I'm a member of an élite, so are you – and so is the person who put this radiator on the wall, the person who painted these walls." She waved a sinuous arm around the room.

"We're not chosen to earn a lot of money, because I don't. Or to live in swanky big houses, because I don't. We're not chosen for job security – because I ain't got that either."

You mean the talented exclude the untalented, I said.

"*You* are excluding the untalented," she retorted, "because you won't pay to go and see them.

"And *we're* certainly not excluding them from coming to watch us – with the unfortunate exception of the seat pricing, which does exclude some people, though it's not as bad as people make out."

What about the exclusive language used to discuss art?

"People mistake intellectual discussion for élitism – the idea that if something is a little bit difficult, or makes you think, or makes you cry then it's élitist, snobbish, arty-farty. That's what's wrong."

So the public has the physical access but not the intellectual access?

"That may be it. Nobody's put up any signposts. That's exactly it. The important thing is not only to build the opera house, but to make sure it's well signposted.

"Sensibility occurs in the most unexpected places," she said finally. "Which is why you get general directors who come from Glasgow – and ballet dancers who were born in the back streets of Derby."

Peter Aspden

Curling up with a nice piece of flesh

It is cold, the wind is biting, the sky is the colour of corrugated iron. A weather-girl talks about a "wind-chill" factor, supposedly a more realistic gauge of how bad you are going to feel on your way to work. Why not go the whole way? A wind-chill, bomb-likelihood, mad-cow, polluted-sea, political-corruption factor? Minus 30 and counting.

Winter has dragged on forever, any form of outdoor activity is inconceivable. There are only two things to do: curl up with a good book, a phrase so depressing in its evocation of stale sandwiches and the Bible that you are actually only left with one thing to do: catch a good movie.

And here the fun starts. Which one to choose? To make you feel at home, there are films about bombs (*Crimson Tide*), mad cows (*Babe*, sort of), pollution (*Waiting to Exhale* – well, the title at least) and, of course, corruption (too many to mention). But you want to get away from all that. You need guidance.

You flick through a magazine and look at the display advertisements, and those irritating one-liners which promise so much and tell you nothing: "In Space No One Can Hear You Scream" (*Alien*); "Just When You Thought It Was Safe To Go Back In The Water" (*Jaws II*); "He Misled, But Didn't Intend To, At Least He Didn't Think He Did, What The Hell, He's Only Human" (*The Scott Report*, forthcoming).

But you are after something more authoritative, so you turn to the critics. They are pretty reliable judges, extremely knowledgeable and passionate about the cinema. The only trouble is, they all watch films *together*. This, I have found, has a disconcerting effect.

Watching a medium-bad film in the company of fellow professional critics, for example, is torture. You cannot overlook the bad lines, for a unanimous snort of contempt greets each one. You cannot turn your attention to your popcorn (not encouraged). You cannot be distracted by those few simple souls in the cinema who are enjoying the film (there are none).

These are people who spend half their lives in the dark. Your cosy little preview theatre in Soho may as well be Hades. There is blood shed in their reviews. The medium-bad film becomes a stinker. Then there are the production notes. These are meant to help the critic, providing crucial background information. But more often than not they tell you more than you want to know.

The notes for Ang Lee's *Sense and Sensibility*, for example, released yesterday in Britain, typically included interviews with the stars. Here is Emma Thompson waxing winsomely on her relationship with producer Lindsay Doran: "If we happened to be in the same city, we would sit down together and talk out the problems. Then I would cry for a while and go back to work."

Co-star Kate Winslet ("only 19") garnered "tremendous support from both the director, who taught her T'ai Chi to help her focus, and her fellow cast members". Very exotic.

Then there is young Emilie François, who fascinatingly found her glamorous co-workers to be "normal people behind the scenes"; at least she has the excuse of being 12 years old.

By the time you have trammelled through Emma's tiara, Kate's lotus position and young Emilie's wonderment, you already hate the film. And it hasn't even started.

So how else do you choose your movie? There are the awards, of course. These, too, can be a rock-solid guide: anything Oscar-laden, we know, will be a bitter-sweet examination of what it means to be American; The Palme d'Or winner from Cannes will be an odyssey through the Bosnian crisis; The Golden Bear recipient from Berlin will be a bitter-sweet examination of what it means to be existential.

But there is one thing, it seems, that we all want to see. If ever you write a film review which uses the words "erotic", "steamy" or "lusty", you can be sure those very words will appear in large letters on the poster, next to a tranche of naked flesh. Market research being what it is, there must be a sound reason for this. Some indoor pursuits never fall out of fashion.

WEEKEND INVESTOR

■ Results due next week

Company	Sector	Anncmnt due	Last year interim	Dividend (p)* Final	This year interim
FINAL DIVIDENDS					
Abbey National	BkRe	Monday	5.70	12.05	7.25
Acorn Computer	E&EE	Monday	-	-	-
Associated British Ports	Tran	Wednesday	2.00	3.50	3.00
BICC	E&EE	Wednesday	6.00	8.60	4.00
Barclays	BkRe	Tuesday	8.00	13.00	9.50
Brakne (TF & JH) Hldgs	Eng	Friday	2.60	7.20	2.90
Brewin Dolphin Hldgs	OtFn	Monday	1.00	4.00	2.00
British Aerospace	Eng	Thursday	4.00	8.00	5.00
Burford Hldgs	Prop	Thursday	0.75	1.00	0.85
Cantab Pharmaceuticals	Pharm	Thursday	-	-	-
Capita Group	SpSv	Tuesday	1.10	2.20	1.30
Capital Shopping Centres	Prop	Wednesday	3.50	-	-
Card Clear	ABM	Monday	-	-	-
Cowie Group	Dist	Thursday	2.725	6.40	3.05
Dixon Motors	Dist	Tuesday	1.25	2.50	1.675
Dominick Hunter	Eng	Tuesday	1.00	3.00	2.40
English & Overseas Properties	Prop	Tuesday	0.30	0.80	0.33
General Accident	Insc	Tuesday	10.10	18.90	10.70
Green Property ‡	Prop	Thursday	0.012	0.03	0.013
HSBC Hldgs	BkRe	Monday	8.00	19.00	9.25
HTV Group	Med	Tuesday	0.75	1.50	1.25
ISA International	Dist	Monday	0.805	1.295	0.73
Inveresk	PP&P	Wednesday	1.84	3.68	1.93
Irish Permanent ‡	BkRe	Tuesday	0.035	-	-
LASMO	OBE	Thursday	-	1.25	-
Leslie-Wise Group	Text	Wednesday	1.75	2.50	1.75
Life Sciences International	Hlth	Thursday	1.60	2.80	1.60
Lilleshall	BdMa	Monday	1.85	3.68	1.85
London Finance & Inv Group	OtFn	Tuesday	-	0.50#	-
Midland Bank	BkRe	Monday	-	-	-
Regina	ReFd	Wednesday	-	-	-
Scottish Eastern Inv Tst	InTr	Tuesday	0.52	1.06	0.55
Second Market Inv Co	InTr	Friday	-	4.30	-
Sema Group	SpSv	Wednesday	1.60	2.50	1.00
Serco Group	SpSv	Thursday	1.25	2.75	1.45
Sleepy Kids	Med	Tuesday	-	-	-
Spargo Consulting	SpSv	Friday	1.60	2.00	1.75
Standard Chartered	BkRe	Wednesday	2.25	5.75	3.25
Telegraph	Med	Tuesday	5.50	7.50	5.50
Transatlantic Hldgs	OtFn	Thursday	6.00	7.20	8.60
Union	BkMr	Tuesday	1.50	1.50	1.50
Wimpy (George)	B&C	Tuesday	2.00	3.50	2.00
Zoteloams	Chem	Monday	1.80	-	-
INTERIM DIVIDENDS					
Alliance Resources	OilE	Wednesday	-	-	-
BZW Convertible Inv Tst ♦	InTr	Wednesday	1.50	3.30	-
Bellwinch	B&C	Thursday	0.20	-	-
Cash Converters International	ReEn	Monday	-	-	-
Charles Sidney ‡‡	Dist	Thursday	1.30	2.40	-
Community Hospitals Group	Hlth	Monday	3.00	5.80	-
Cornwell Parker	HseG	Friday	0.30	0.30	-
ECU Tst	InTr	Friday	-	0.50#	-
Edinburgh Income Tst ★	InTr	Tuesday	1.00	1.00	-
Fleming Enterprise Inv Tst	InTr	Tuesday	1.45	3.65	-
Gartmore Scotland	InTr	Monday	-	-	-
Glasgow Income Tst ‡‡	InTr	Thursday	0.80	-	-
Go-Ahead Group	Tran	Friday	1.60	3.20	-
Henderson Eurotrust	InTr	Wednesday	1.50	1.85	-
Honeysuckle Group	Text	Monday	1.00	1.50	-
Isotron	Hlth	Thursday	1.83	3.42	-
Johnson Fry Euro Utilities	InTr	Monday	2.00	2.80	-
Johnson Fry Utilities	InTr	Monday	1.72	2.50	-
Joseph (Leopold) Hldgs	InTr	Thursday	3.40	14.25	-
Pacific Horizon Inv Tst	InTr	Wednesday	-	0.35#	-
Pilco Hldgs	HseG	Tuesday	2.10	2.85	-
River & Merc Smaller Cos	InTr	Tuesday	1.25	3.075	-
SEET	Text	Thursday	-	-	-
Scottish Inv Tst	InTr	Thursday	1.85	3.82	-
Sinclair (William) Hldgs	L&H	Tuesday	1.90	5.80	-
TR European Growth	InTr	Tuesday	-	1.70#	-
Willis Corroon Group ‡‡	Insc	Thursday	1.65	1.65	-
Zetters Group ★	L&H	Wednesday	5.00	5.06	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. ‡‡ 1st quarterly. ♦ 2nd quarterly. ★ 3rd quarterly. ‡ Irish punts and pence. # Yearly dividend.

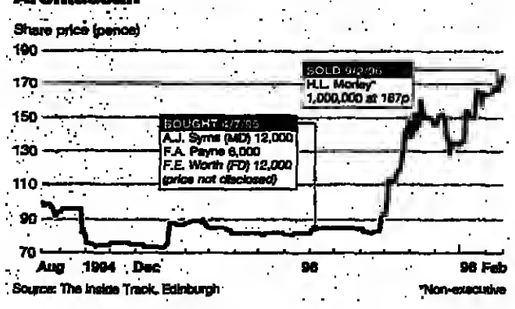
Directors' dealings

All the week's significant sales were in companies with a record of extraordinary performance over the year, *writes Vivien MacDonald of The Inside Track.* One is computing group Azlan where chairman Mike Brooke sold nearly 15 *per cent of his holding at 548p.* Its shares have outperformed by 261 per cent.

☐ Biggest sale was at Aromascan, which outperformed by 55 per cent. It is involved in technology which seeks to identify smells by emulating the human nose.

☐ Directors of Burton, the clothing retailer, have been consistent buyers over the *past few months. The latest* to increase his holding is Stuart Rose, who paid 130p for his acquisition.

Aromascan



Source: The Inside Track, Edinburgh *Non-executive

■ Directors' share transactions in their own companies

Company	Sector	Shares	Value £'000	No of directors
SALES				
API Group	PP&P	4,000	24	1
Aromascan	Elec	1,000,000	1670	1
Azlan Group	Elec	100,000	548	1
Bath Press	PP&P	4,222,150	549	1
Border Television	Media	10,000	31	1
Bullough	Eng	25,000	28	1
Daily Mail & Gen §§	Media	2,000	29	1
Dewhurst ★	Elec	20,000	15	1
Grainger Trust	Prop	88,998	215	2
MITIE Group	SSer	150,000	458	1
Westbury	BCon	50,000	93	1
Central Radio	Media	86,905	428	1
Cohen (A)	Eng	3,000	17	2
Sears	RetG	128,000	122	1
PURCHASES				
Avesco	Media	25,000	49	1
Barlows	Prop	580,000	244	1
Bath Press	PP&P	1,900,000	247	1
British Petroleum ♦	Oil	16,861	1095	1
Bullough	Eng	40,000	41	1
Burton Group	RetG	16,000	13	1
Dawson Intl	Text	100,000	98	1
Elliott A	Eng	25,000	26	1
Fenchurch	Insc	20,000	25	4
Full Circle Ind	BM&M	250,000	50	1
Harmony Property	L&H	1,000,000	34	1
Man ED&F Group	FdPr	10,000	16	1
Panther	Prop	50,000	31	2
WAVIT	InvT	100,000	96	1

Companies must notify the Stock Exchange within five working days of a share transaction by a director. This list contains all transactions (listed and USM), including exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock ExchangeFebruary 12-16 1996. Shares traded are ordinary, unless otherwise stated. ♦=American Depositary Receipts. §§=A Non-Voting Ordinary Shares. ★=A Ordinary Shares Source: The Inside Track, Edinburgh, 0131-538 7070

■ Last week's preliminary results

Company	Sector	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Admiral	SpSv	Dec	9,830	(7,720)	5.4 (8.0)
Anglo & Overseas	InTr	Dec†	355.6	(471.3)	7.8 (7.4)
Arcon International ‡	Exlu	Aug	475 L	(284)	0.3 (0.09) - (-)
Baring Tribune	InTr	Dec†	631.9	(571.7)	7.53 (5.79) 7.2 (6.75)
British Sky ✱	GenB	Dec	903,000	(927,000)	2.9 (9.5) 14.5 (14.5)
Brown & Jackson	BuMa	Dec	4,550 L	(16,300 L)	- (-) - (-)
Canadian Pizza	FdPr	Dec	1,410	(2,330)	5.9 (9.8) 4.8 (8.0)
City Merchants	InTr	Dec†	149.9	(140.7)	11.05 (10.53) 9.5 (9.0)
Clarkson Group ‡	PP&P	Dec	13,300	(15,000)	31.33 (25.22) 8.0 (5.285)
Commercial Union	Insc	Dec	634,000	(400,000)	94.9 (61.5) 28.25 (26.45)
Courtaulds Textiles	Text	Dec	36,500	(47,300)	25.4 (33.7) 15.3 (15.0)
Edinburgh Fd Managers	OtFn	Jan	12,900	(13,700)	45.4 (48.7) 25.0 (24.5)
F & C Enterprise	InTr	Dec†	102.2	(82.9)	1.63 (1.12) 1.2 (0.8)
Fleming Fledgeling	InTr	Dec†	433.3	(373.8)	2.72 (2.63) 3.0 (3.0)
GRE	Insc	Dec	812,000	(75,000 L)	77.0 (-) 9.0 (6.25)
Gardners	OtFn	Dec	36,500	(35,300)	11.8 (11.9) 1.75 (5.5)
Grafton Group ‡	BuMa	Dec	11,000	(7,900)	57.3 (40.2) 12.5 (8.5)
Greenwich Comms	Med	Aug	57 L	(46 L)	- (-) - (-)
ICI	Chem	Dec	927,000	(406,000)	73.9 (26.0) 30.0 (27.5)
Inv Tst Guernsey	InTr	Dec†	84.9	(77.1)	2.91 (2.65) 2.7 (2.5)
Jupiter Intl Green	InTr	Dec†	127.4 §§	(112.1)	3.95 (4.06) 3.75 (3.5)
Lazard Smaller	InTr	Dec†	150.4	(148.7)	1.43 (3.04) 0.25 (0.25)
Lex Service	Dist	Dec	32,100	(42,400)	20.4 (28.5) 15.0 (13.7)
Lloyds TSB	BkRe	Dec	1.69 bn	(1.78 bn)	19.2 (22.6) - (-)
London Forfaiting	OtFn	Dec	27,106	(16,106)	13.18 (11.51) 10.2 (8.3)
Lonrho Pacific ◐	OtFn	Dec	138,200	(55,400)	194.5 (65.7) 9.29 (6.29)
Low & Bonar	PP&P	Nov	52,400	(44,100)	30.01 (30.06) 13.2 (11.5)
Madeira	Pharm	Dec	79,000	(64,200)	16.9 (14.6) 4.0 (3.3)
Mercury World Mining	InTr	Dec†	108.27	(104.84)	1.32 (0.96) 1.0 (0.77)
Morgan Sindall	BldC	Dec	3,030	(3,300 L)	8.03 (-) 2.7 (-)
National Westminster	BkRe	Dec	1.753 bn	(1.592 bn)	67.8 (62.9) 25.3 (21.6)
Oliver Group	BuMa	Dec	5,710 L	(1,600)	- (6.05) - (1.9)
Provident Financial	OtFn	Dec	101,100	(81,100)	50.33 (40.84) 23.0 (20.5)
Rank Organisation ✱ ★	Leis	Nov	288,000	(254,000)	60.3 (17.8) 15.75 (13.25)
Remploy	SpSv	Dec	214,500	(177,000)	14.22 (11.74) 4.29 (3.45)
Rights & Issues	InTr	Dec†	699.9	(583.2)	13.254 (10.273) 19.5 (9.4)
Royal Insurance	Insc	Dec	486,000	(467,000)	60.0 (61.9) 19.0 (12.5)
Sedgwick Group	Insb	Dec	90,100	(94,400)	12.5 (11.0) 7.375 ¶ (6.5)
Shirecat	InTr	Dec†	154.9	(144.7)	6.31 (6.62) 5.7 (5.4)
Smithkline Beecham	Pharm	Dec	1.823 bn	(691,000)	38.1 (2.7) 14.25 (12.5)
Stordata Solutions ●	Dist	Nov	1,870	(1,580)	- (1.9) - (0.5)
TR High Income	InTr	Dec†	195.8	(122.5)	8.61 (9.28) 6.4 (6.1)
Temple Bar	InTr	Dec†	395.42	(399.2)	16.15 (14.24) 14.55 (13.65)
Throgmorton	InTr	Nov†	93.9	(78.9)	2.01 (2.31) 2.3 (2.3)
Torex Hire ✱ ★	Dist	Dec	527	(471)	2.4 (3.1) 1.5 (1.3)
Trade Indemnity	Insc	Dec	22,900	(5,000)	9.9 (2.2) 1.9 (1.8)
Trust of Property	InTr	Dec†	83.2	(78.9)	1.838 (1.817) 1.7403 (1.6674)
Unilever	FdPr	Dec	2.319 bn	(2.383 bn)	78.83 (83.59) 29.4 (26.41)
WPP Group	Med	Dec	113,700	(85,300)	9.5 (7.9) 1.31 (1.135)
Wickes	BuMa	Dec	258,000 L	(38,100)	- (5.6) 2.1 (1.8)
Yorkshire Chemicals	Chem	Dec	10,600	(14,480)	16.4 (22.5) 8.6 (8.6)

■ Last week's interim results

Company	Sector	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Ardagh ‡	N/A	Dec	2,900	(2,580) 1.05 (0.95)
Bims Group	B&C	Oct	335	(679 L) - (-)
European Smaller	InTr	Dec†	141.9	(128.3) - (-)
FII Group	Text	Nov	3,610 L	(1,000) 8.0 (6.0)
Finsbury Underwriting	InTr	Dec†	111.0	(90.8) 0.6 (0.5)
Gartmore Shared ◐	InTr	Jan†	89.5	(71.1) 2.4 (2.4)
Haggas (John)	Text	Dec	1,000	(1,150) 1.5 (1.0)
Hogg Kong	InTr	Dec†	53.56	(56.24) 0.75 (0.75)
Kleinwort High Inc	InTr	Dec†	93.9	(82.5) 2.35 # (2.0)
LRMS Co ◐	SpSv	Jan	291 L	(5,180 L) - (-)
London Industrial ◐	Prop	Dec	3,040	(1,640) - (-)
MR Group	SpSv	Dec	2,170	(3,140) 1.2 (2.070)
Macro 4	SpSv	Dec	5,960	(5,690) 9.3 (8.5)
My Kinda Town	RP&R	Dec	1,020	(1,330) 1.0 (1.0)
NatWest Smaller	InTr	Dec†	137.73	(112.32) 1.125 (1.125)
PizzaExpress	RP&R	Dec	4,150	(3,040) 0.7 (0.6)
Quayle Munro	OtFn	Dec	92	(290) 3.5 (3.0)
Regent Inns	RP&R	Dec	3,510	(1,900) 3.15 (2.25)
Scottish Asian	InTr	Jan†	339.0	(247.8) - (-)
Scudder Growth	InTr	Jan†	88.08	(78.4) - (-)
Stoves	HseG	Dec	1,500	(1,330) 1.7 (-)
Tiara EMI ◐	Med	Dec	480,000	(342,000) - (-)
Throgmorton 1000	InTr	Dec†	149.7	(123.6) - (-)
Tor	InTr	Jan†	1565.1	(1,407.3) 10.0 (30.0)
Towry Law	OtFn	Dec	1,470 L	(1,140 L) - (1.5)
Usher (Frank)	Text	Nov	1,147	(1,029) 4.0 (3.5)

(Figures in parentheses are for the corresponding period.) *Dividends are shown net pence per share, except where otherwise indicated. L=loss. bn=billions. † Net asset value per share. ‡ Irish punts and pence. ✱ Historical cost basis. ♦ US dollars and cents. ● Pro forma figures. §§ NAV per unit. ¶ Includes 0.875p Foreign Income Dividend. # Second interim; makes 4.5p to date. ◐ 9-month figures. ♦ 10-month figures. ♦ 14-month figures. ★ Comparatives for 12 months.

Alternative Investment Market

The arms to Iraq affair caught up with IES Group this week, *writes Simon Kuper.* The *computing equipment* company, which was to join the Alternative Investment Market yesterday, deferred entry after news broke that managing director Roy Ricks appears on a US Treasury black list for his Iraqi links.

In 1987, Ricks introduced a delegation of Iraqis to Matrix Churchill, the machine-tool maker central to the Scott inquiry. Later, he contacted Matrix's parent company, TI, on behalf of Iraqi interests.

Ricks appears on the "Specially Designated Nationals" list kept by the Office of Foreign Assets Control, part of the US Treasury. American citizens and residents may not do business with people on it.

For now, IES continues trading on Ofex.

IES shares fell to 230.4p on Thursday, 10.1p down on the day before. But it has been a strong stock, rising from 55p on flotation in 1993 to a high of 865p last November before a share split. Last week, the company reported annual pre-tax profits of £626,546 on turnover of £2,754,871.

■ Current takeover bids and mergers

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder
BET	198½§§	199	184½	1.88bn	Rentokil
Ennemix	32p	37	34	5.86	Redland
Perry Pickering	192p	192	168	26.13	Waye
Plocas	Ir275p	Ir276	Ir228	Ir15.67m	DCC
Gardmore	226p*	247	245	340.0	Nat West Bank
Do	230p♦	247	245	126.0	Nat West Bank
Lloyds Chemists	492½§§	491	366	610.21	UniChem
Lloyds Chemists	500p*	491	444	619.5	Gehe
MAI	416	416	379	1.37bn	Utd News & Media
Molineux Estates	108½	100	80	48.96	TBI
OIS Intl ‡	34	33	18	10.20	Abbot Group
OIS Intl	29*	33	29	8.40	OGC
SEEBOARD	535*	534	531	1.56bn	Central & S.West
Trade Indemnity	97*	97	73	177.32	Cia. Fin. SFAC

Prices pence unless indicated. *All cash offer. §For capital not already held. ‡ Unconditional. **Based on lunchtime prices 23/2/96 §§Shares and cash. ★ For 75% held by Eng Indosuez. ♦ For remaining 25%. ¶ For 22.7% not already owned; Partial share alternative – Ir220p for each DCC share held.

Bids

Two bid stories – Rentokil's *hostile offer* for BET and the battle for Lloyds Chemists between UniChem and Gehe of Germany – grabbed plenty of headlines this week, *writes Patrick Harverson.* Yet perhaps the most excitement in the stock market was generated by intense speculation that Carlton Communications would bid for MAI, the media and *financial* services group which is merging with United News & Media.

The merger mania reached such a peak on Thursday that Michael Green, Carlton's chairman, had officially to deny that he was planning a bid for either. But with bankers said to be queueing up to provide funds for a bid, analysts *believe* Carlton will eventually move for one of its rivals.

The Rentokil-BET tussle took an unexpected turn on Thursday when the former made a surprise offer to buy just three-quarters of BET. The offer, which was interpreted by observers as an attempt by Rentokil to convince the City that it was not being over-ambitious, was rejected immediately. Shareholders now await Rentokil's offer document outlining its original £1.8bn bid, and it seems likely the group will have to raise its offer to win over a reluctant BET.

Meanwhile, Gehe on Tuesday raised its takeover bid for Lloyds from 450p a share to 500p. The move prompted UniChem to jump into the stock market and buy almost 10 per cent of Lloyds. Analysts say Gehe will probably have to raise its bid one more time to win the day.

New Issues

Shares in Streamline Holdings were priced at 180p this week, valuing the traffic sign and road markings group at £112m, *writes Christopher Price.* Trading starts on February 29.

The figure was towards the top end of market expectations and more than 22m were placed with institutions, representing around 35 per cent of the equity. The placing will raise around £20m, which will be used to reduce borrowings.

Streamline was a £72m management buy-out from Shell three years ago. The directors, who are not selling any shares, *will hold a 14.4 per cent stake* worth £10.4m after the float.

☐ Orange has written to its 600,000 subscribers inviting them to register for application forms for the coming flotation *of the mobile telecoms group.*

In the Pink

Why Emu needs the help of the Seventh Samurai

Only the Japanese can rescue it once the fiscal tightening required begins to squeeze, argues **Brian Reading**

Brian Reading is a director of Lombard Street Research.

Japan will decide the fate of European economic and monetary union (Emu) in 1999. This is because, without the external intervention of a world export boom, Maastricht is doomed.

Japanese foreign investment could be the catalyst for such a boom. Politicians like French prime minister Alain Juppé, who claim that the *Maastricht criteria will not be* diluted or Emu delayed, are talking rubbish. Without a *deus ex machina* to lift continental Europe out of recession, the criteria are impossible to meet.

Almost all potential Emu entrants, including Germany, will fail the 3 per cent Maastricht budget deficit ceiling in 1997 unless they tighten fiscal policy in the teeth of the present recession.

Tax increases and public spending cuts will reduce structural budget deficits (i.e., what deficits would be were it not for the effects of the business cycle). But the tightening needed to beat the Maastricht ceiling will push Europe deeper into recession, causing cyclical budget deficits to rise.

Overall budget deficits (the definition used by Maastricht) will, however, be reduced by only a fraction of the discretionary tax hikes or public spending cuts unless the deflationary consequences of fiscal tightening are negated one way or another.

If France, for example, raises taxes by 1 per cent of GDP, growth will slow by 1.5 per cent of GDP, causing the cyclical deficit to rise by 0.8 per cent of GDP. The overall deficit *will then fall* by only 0.2 per cent of GDP.

Countries such as the UK, with floating exchange rates, can escape this trap easily. Fiscal tightening can be offset by increased monetary ease, lower interest rates and a weaker currency, which boost growth. For members of the exchange rate mechanism (ERM), though, this escape route is closed. Their monetary policy is set by the Bundesbank and their exchange rate movements are restricted.

As most European countries must tighten more than Germany must to meet the Maastricht budget criteria, their central banks must loosen monetary policy by more. If they do so, their currencies will be forced out of the ERM. They will meet the budget criteria only at the expense of failing Maastricht's exchange rate stability criteria instead. If they do not loosen, unemployment will soar and, politically, Emu will be dead.

> Europe's only hope is that developments elsewhere in the world will reflate their economies painlessly. This need not be a vain hope; they have been rescued before

For the same reason, a delayed Emu is a dead Emu. *Efforts to meet the Maastricht* criteria are not being thwarted by recession – they are the *cause* of recession. Europe's only hope is that developments elsewhere in the world will reflate their *economies painlessly.*

This need not be a vain hope; they have been rescued before. During the 1980s, most European countries plus Japan struggled to reduce similarly large budget deficits. *Meanwhile, President Ronald* Reagan's supply side tax reforms pushed the US budget into deep deficit and the dollar soared.

A dramatic deterioration in the US trade performance boosted Europe's exports, helping to sustain growth. But Europe's performance was *still lacklustre and when, 10* years ago, the dollar collapsed and the US trade balance improved, Europe underwent a similar mini-recession. The 1980s were years of Eurosclerosis.

The US saved Europe again early in the 1990s, although in a roundabout way. When the Federal Reserve Board cut interest rates to the bone to bail out the country's bust banking system, a wave of direct and portfolio investment abroad followed. As a result developing countries boomed while industrial countries slumped. And world trade boomed, too.

While exports to developing countries account for less than a quarter of industrial countries' *total* exports, additional exports to developers between 1992 and 1994 were almost three times as large as additional exports to all other countries. They accounted for three-quarters of *industrial countries' growth* in exports.

In the European Union, GDP rose by only 6 per cent between 1991 and 1995 but the volume of exports rose by 25 per cent, four times as much. *Moreover, this was when* European budget deficits were allowed to get out of hand.

When the Fed moved to raise interest rates in February 1994, and especially after the Mexican debt crisis began the following December, capital outflows to developing economies diminished and the *US itself received massive* inflows. Growth in developing economies faded and so did the boom in world trade.

This contributed to Europe's present recession (although Maastricht was its main cause). The resumption of large capital flows to developing countries is the key to Europe's recovery and, hence, to Emu's fate.

Do not look to the US once more; its banks do not need a second bail-out. But Japanese banks do, and to a greater extent. So the Bank of Japan has cut its official discount rate to a negligible 0.5 per cent. Japanese government bonds yield a mere 3 per cent. In addition, the BoJ is now printing and lending money with abandon in an effort to reflate Japan's bubble economy. It will have to do so for some time to come.

Unfortunately, yen are not flowing abroad the way dollars did. Despite dismal returns at home, individual Japanese are not piling into emerging market mutual funds. Insurance companies and pension funds, burnt by big losses when the yen soared, are also staying at home.

Only corporate direct investment abroad is growing strongly – up by more than 25 per cent last year. It has also been switched from buying US office blocks to *building factories* in Asia. Rules regulating Japanese pension fund investments are being relaxed. They will be forced abroad in search of higher returns.

So if, in 1997-98, capital from *Japan reflates the developing* world boom, there is a chance Emu could be saved. The Seventh Samurai to the rescue?

Weekend Investor

Wall Street

Buchanan's spectre haunts edgy dealers

He is unlikely to be president but his policies may not go away, says **Maggie Urry**

A chilling photograph appeared in the press this week. It showed Pat Buchanan stending in front of Mount Rushmore in South Dakota.

Fresh from his success in the New Hampshire presidential primary on Tuesday, he seemed to be implying that his *craggy features* would soon be joining those of former presidents Washington, Jefferson, Lincoln and Theodore Roosevelt carved into the rock face. Even more chilling was the assertion by the former speechwriter and political commentator that "all four of these gentlemen up bere on Mount Rushmore agreed with Pat Buchanan".

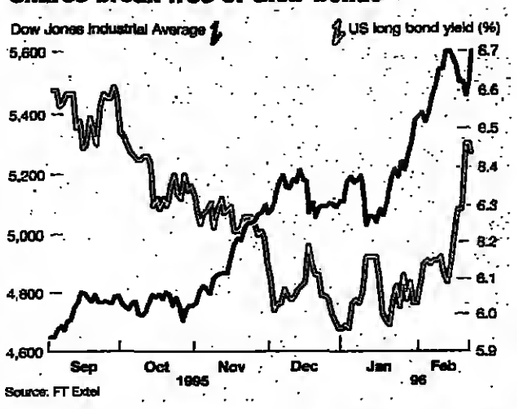
The possibility that Buchanan could be the next president of the US is remote. The rest of tbe Republican party will do its utmost to prevent him winning the nomination. Even so. Buchanan's policies have struck a chord with many voters. He is playing on the iosecurity workers feel after seeing massive lay-offs, such as the 40,000 job losses at AT&T. To protect US jobs, he advocates an end to free trade, tariffs on goods from places like Japan and China, and e repeal of the North American Free Trade Agreement (Nafta).

This would be bad oews indeed for Wall Street. In the first place, those job losses, dressed up as corporate restructurings, have beeo one element pushing company profits higher. By taking large one-off charges, companies can boost tbeir profits in future years, and many firms which announce such charges are rewarded with a higher share price. If there were moves to stop those job losses, then corporate profits would not rise so quickly.

Eveo if Buchanan is not nominated, the price the Republicans must pay to beat him could be to adopt his ideas in watered-down form. Senator Robert Dole, who had been the front runner for the nomination until Tuesday's upset, has begun to do that already. He tried in New Hampshire with the cry that "corporate profits are setting records, and so are corporate layoffs".

The protectionism issue is equally worrying for Wall Street. Tariffs on imports naturally would lead to retaliation. And the effort to increase exports is important to corporate profits, to economic growth, and to reducing the trade deficit.

Shares break free of their bonds



Source: FT Extel

The two-year-old Nafta has been criticised. But a survey this week by the Bank of Montreal, and its American subsidiary Harris Bank, in the US, Canada and Mexico, found eupport for the treaty among businessmen. Many companies say Nafta has increased their sales and nearly 80 per cent expect more benefits to come. The same proportion would like the treaty extended to the rest of the Americas.

Still, such political worries were shrugged off this week by the stock market. After taking Monday off to celebrate two of the Rushmore presidents' birthdays, it has been dominated by the words of Alan Greenspan, chairman of the Federal Reserve. He spent Tuesday and Wednesday giving his semi-annual testimony to Congress, and was rewarded on Thursday when Clinton announced his reappointment.

On Tuesday, Greenspan was talking to e House committee. He said the economy was "on track for sustained growth" and recent softness in growth was "likely to be temporary". The markets took fright, in the belief this meant an end to interest rate cuts. Bond prices fell sharply, pushing the yield on the long bond up. Shares slumped, too.

The oext day, Greenspan said much the same to the Senate – and the market interpreted his remarks differently. Share prices shot up on Wednesday and again on Thursday.

John Lipsky, chief economist at Salomon Brothers, feels the Fed is likely to wait to see economic statistics, due over the next two weeks, which should be freer than recent numbers of the distortions caused by the government shutdown at the end of December, and the severe winter weather last month. So long as they are favourable, Lipsky thinks the Fed could cot at its March meeting, or even before.

Bond prices, meanwhile, failed to join in the stock market's surge. As the chart shows, stocks had been tracking bonds, with the Dow Jones Industrial Average moving in the opposite direction to the bond yield until early this year. In the past few weeks, though, bond yields have risen while share prices have continued up. This week, stocks fared much better than bonds in the market recovery.

Bruce Young, president of Mesirow Financial, reckons that provides an opportunity to buy boods and says there is a lot of money ready to go into the market. But the rise in bond yields broke through technical support levels, which has made some people more bearish.

Alternatively, the bond market might be presaging a reversal in the stock market, which has been bobbing on tidal wave of incoming money. Strangely enough, if the race for the presidency has the effect of making workers more secure, perhaps they will feel less of a need to pour savings into the stock market.

Dow Jones Ind Average

Monday	market closed	
Tuesday	5458.53	– 44.79
Wednesday	5515.97	+ 57.44
Thursday	5608.46	+ 92.49
Friday		

London

A taste of the carnival spirit

But will there be a sudden letdown? asks **Philip Coggan**

At the Mid-South Fair in Memphis, Tennessee, last year, they unveiled a ride called the Slingshot which had customers queneing round the *block to pay $30 a time. Hardy* souls were strapped into a cage suspended by elasticated lines between two tall towers.

The cage then was lifted high into the air, until the lines were taut, before being released. The tension made it fall crazily to earth, looping the loop as it plummeted, before rebounding to start the cycle all over again.

Watching at tha time, I wondered why on earth anyone would want to undergo such an experience. Now I know. They were in training for the financial markets of 1996.

This week was a good example. By Tuesday night, a sharp fall in bond markets and *successive 40-point* falls on Wall Street made investors start to wonder if the bull market might finally be coming to an end. But on Wednesday, Thursday and early Friday Wall Street roared back to life. And yesterday morning, some German money supply figures that were not as bad as expected helped European bonds to rally.

The London market was almost a sideshow while all this was going on. It dropped back on Monday and Tuesday but revived steadily during the rest of the week to finish 30.6 points lower at 3,740.3.

If London had been left to its own devices, it might have performed rather better. A spate of results' announcements from Britain's leading companies prodoced no disasters, and there was little in the accompanying trading statements to cause alarm or despondency.

Imperial Chemical Industry's profits showed a quarter-on-quarter decline, it is true, but they were still 30 per cent better than for the same period a year ago. With the suggestion of a buy-back programme and positive notes from analysts, the shares moved ahead.

Good figures from National Westminster bank, and a better than expected dividend increase from Royal Insurance, all helped. British Gas was one of the few big companies to disappoint, hut its problems seem peculiar to itself rather than symptomatic of any wider economic trend.

Politics remains a worry for the market. The Conservative party now seems to produce more defectors than Cambridge University and the reduction of the government'e majority to two, ahead of Monday's parliamentary vote on the Scott report into the arms-to-Iraq affair, might be persuading investors to hold on to cash. But the government has survived many such crises in the past.

Until a more definitive trend appears in the results' season, or a general election becomes imminent, London is likely to remain heavily under the influence of world market movements.

The driving force behind the recent volatility is the wave of liquidity that has been unleashed around the world during the past year or so. In the US and Europe, governments and monetary authorities have been cutting interest rates in an attempt to revive sluggish economic growth rates.


A wave of liquidity has been unleashed around the world — Peter Beck

But an even more important role is being played by Japan, which has been maintaining ultra-low interest rates and a fiscal policy designed to stimulate an economy and financial system that has struggled all through the 1990s.

According to Mark Brown, head of strategy and economics at ABN-AMRO Hoare Govett: "The Japanese have the world's net savings because they have the world's biggest current account surplus.

"Back in 1994, when people were talking of a world capital shortage, what was really happening was that the Japanese private sector was unwilling to export its capital, forcing the surplus to be recycled via currency intervention by the Japanese central bank.

"Now, the Japanese are more than willing buyers of overseas assets, particularly bonds, and that has been helping bond yields to fall round the globe."

Moreover, Japanese banks seem to have been willing lenders to foreigners. This has allowed some, notably the hedge funds, to speculate by borrowing in yen at low interest rates and investing the proceeds in higher-yielding international bonds.

Bnt this liquidity brings problems in its wake. "The critical issue is that, when the Japanese economy starts to recover, the surplus will shrink and so will the supply of Japanese buyers for foreign securities. There is some evidence this is starting to occur," says Brown.

A hint from the Japanese finance minister that interest rates needed to rise to help elderly savers seems to have caused some unease in the markets.

The Nikkei 225 average, which previously had been rallying strongly, fell for seven consecutive trading sessions. And it seems as if, in response to recent market weakness, the speculative investors may have been unwinding their leveraged bond positions to avoid the kind of losses they suffered in 1994.

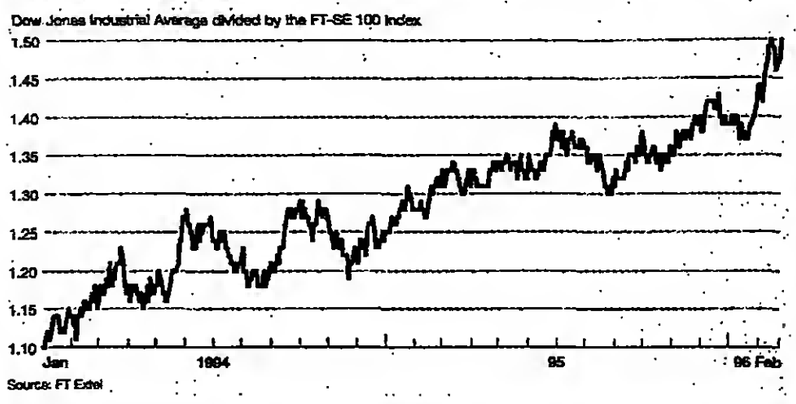
In addition, bond investors may be starting to worry that, while there is little threat of inflation in the short term, easy money round the world will lead eventually to price pressures. In the UK, the yield on the 10-year gilt moved up from 7.41 per cent at the start of the year to 7.85 per cent by Tuesday night.

That has pushed up the yield ratio – the relationship between bond and equity yields – to 2.21, as high as it has been at any time since the *start of 1995*. Shares are starting to look fully valued.

Still, as the graph shows, the UK certainly is not the over-extended market in the world. Wall Street has left the London market far behind and is where the daily movements now seem the most extreme.

If the world market's carnival ride does come to a sticky end, it surely will be in the US.

The US roars ahead



Source: FT Extel

Highlights of the week

	Price y'day	Change on week	52 week High	52 week Low	
FT-SE 100 Index	3740.3	-30.6	3781.3	2977.0	Interest rate anxiety
FT-SE Mid 250 Index	4208.0	+8.1	4208.0	3300.9	Takeover speculation
Airtours	460	+27	460	308	Carnival takes stake
Bank of Scotland	272½	-12	318	193½	Warburg turns cautious
British Aerospace	865	+29	889	456¼	Defence merger hopes
British Steel	178½	+9½	181	148	Optimism at Usinor
House of Fraser	181	+12	190	125	Management changes speculation
ICI	882	+70	891½	660	Share buy-back hopes
Kwik Save	478	-18	732	472	James Capel downgrading
Nat Westminster Bank	711	+43	711	473	Dividend hike
Rentokil	353	+20	368	213	BET bid redefined
Royal Insurance	390	+15	426	268	Well-received figures
Unilever	1216	-57	1377	1160	Figures disappoint
Wimpey (G)	139	+9	148	97	Mortgage cut
Wolseley	464	-22	489	324	Profit-taking

Barry Riley

Fingers on the panic button

The crisis will come when Japan has to raise interest rates

For a day or two, the markets teetered. Would the shake-out prove to be just a dress rehearsal for the next global financial crisis or would it turn out to be the start of the real thing? Traders recovered their nerves towards the end of this week.

A quick damage assessment reveals that, among other casualties, the gold price has crashed down through $400 an ounce, gilt-edged yields bave jumped back to over 8 per cent at the loog-dated end, and the South African rand has lost 8 per cent.

These are, of course, all symptoms rather than causes. They represent areas where speculators have been unwinding their positions. Such speculation is not in any way new but its scale is unprecedented. Funds running into trillions of dollars are now dedicated to short-term, position-taking markets around the globe. The key gamblers include the ootorious hedge funds (although hedging is precisely *not* what they do), the proprietary (that is, own account) trading desks of banks, and the global bond and currency funds.

Volatility is today's curse and, for some, opportunity. Once, central banks sought to stabilise the markets, but now they are pulling in opposite directions. On the ooe hand, they seek to impose currency stability; hence the European single currency plans and a new "super exchange rate mechanism" scheme just unveiled to link the peripheral European currencies which do not get merged into the euro. On the other, they are anxious to sell their government debt at the highest possible price, which means bowing to the speculators' wishes.

So, the new "open repo" market for the Britisb government's gilt-edged bonds, which opened last month, has encouraged billions of pounds of new bank lending into the bond market and, in the process, has destroyed the significance of the statistics for broad money: on Monday, M4 was revealed to be rising at a year-on-year rate of 10.7 per cent.

The real key to the uncertainty lies, however, with events in Jepan. Since last September, the Bank of Japan has been holding the US dollar at ebove 100 yen through massive intervention on the foreign exchanges, and by printing money fast enough to hold Jepanese money market interest rates et ½ per cent. The idea has been to stabilise the Japanese economy and financial system. But the cost has been the destabilisation of markets elsewhere.

What, in particular, has triggered the markets' turmoil in the past week has been the hint that the BoJ is having difficulty in keeping the dollar exchange rate up. From 107 yen two weeks ago, it dipped briefly to around 103 yen, triggering alarm bells.

Part of the relevant background here is that Japanese savers are furious at seeing their interest rates reduced to pathetically low levels in order to bail out the banks, which are seen widely in Japan as corrupt. Even big corporate pension schemes are exploring ways to invest their funds more profitably than by leaving them with life insurance companies which offer only 2½ per cent returns.

> The dollar-yen skirmish is causing serious collateral damage to to Europe

Suddenly, the almost universal assumption that Japanese interest rates would not go up until 1997, and the yen could not possibly appreciate against the dollar in the meantime, began to look just a tiny bit shaky. The gamblers have bitter memories of February 1994 when a rise in American interest rates triggered a disastrous crash in the bond markets. Briefly, February 1996 promised the same.

The lesson the traders now draw is not that this kind of financial trading is inherently dangerous but that they must all make sure to be first out, ahead of the crash which inevitably will be triggered by the rise in Japanese interest rates when, eventually, it comes. Hence the hyper-sensitivity in the markets. The stop-loss positions have been put in place. Panic has been programmed in.

While the Japanese struggle to manipulate the dollar, the American government seems pre-occupied with more important things, such as primary elections. There was certainly no pressure on Federal Reserve chairman Alan Greenspan on Tuesday when be told Congress the US economy was on track. But it is another matter entirely in Europe, which is enduring serious collateral damage from the dollar-yen skirmish.

Thus, the D-Mark is threatening to make new highs against the yen at a time when the German economy is on the edge of a recession. This week's bankruptcy of Bremer Vulkan, the country's biggest shipbuilder, has endangered another 23,000 jobs.

Beggar-my-neighbour tactics in Japan – where, incidentally, shipyards still launch sbout 45 per cent of world output – now are posing a challenge to the continental European economies. While Europe's national treasuries have relished the chance to sell a mountain of new bonds at declining interest rates into the tidal wave of liquidity created by Japan's policies, the economic outlook is becoming grim.

Entering into a competitive devaluation race with Japan is not an instinctive policy for the Bundesbank, the tough German central bank. All the same, it is intriguing to think about the consequences should European central banks begin buying yen in order to force up the value of the Japanese currency. That would force the BoJ to redouble its efforts. Anyway, European interest rates will certainly be going down further. Cracks might begin to show.

In the end, the US and Europe are going to have to decide if Japan can be allowed to export its problems in this way. A Japanese economic and financial crash would be serious for the wbole world, but perhaps not as threatening for Europe as for the US, which depends so heavily upon Japanese savings. Meanwhile, the world's financial centres are full of worried gamblers weighing their options. How long have they got before the real crisis hits? No problem: each one will hit that panic button first.

Offshore managed funds and **UK managed funds** are listed in Section One

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

J. D. Ward Financial Services Ltd
90 Little Britain, London EC1A 7DH 0171 726 4057

	Selling Price	Buying Price	+ or -	Yield Gross
J.D. Ward Mngd Pens	189.7	199.7	+0.6	-
Albany Worldwide Pens	380.6	400.6	—	-
M&G Tripos Pen Acc	290.6	305.6	+0.7	-
PEPC MB Growth (Pen Acc)	291.8	306.8	-0.1	-
Scottish Equitable Pension	180.5	190.0	+0.8	-

Money Market Trust Funds

CafCash Ltd (High Interest Cheque Account)
Kings Hill, West Malling, Kent 01732 520033

	Gross	Net	Gross CAR	Int Cr
CafCash Rate	6.00	-	6.13	3-Mth
Balances over £1 million	6.10	-	6.24	3-Mth
Balances over £2 million	6.20	-	6.34	-

The COIF Charities Deposit Fund
2 Fore Street, London EC2Y 5AQ 0171-588 1815

	Gross	Net	Gross CAR	Int Cr
Deposit	5.90	-	6.03	3-Mth

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 0171-588 1815

	Gross	Net	Gross CAR	Int Cr
Deposit	5.90	-	6.03	3-Mth

Money Market Bank Accounts

Allied Trust Bank Ltd
25 Dowgate Hill, London, EC4R 2AY 0171-626 0879

	Gross	Net	Gross CAR	Int Cr
HICA/HICLA/HIBA	3.50	2.63	3.56	Mth
HICA	4.50	3.38	4.59	Mth
HICA 5000 (£2,001-£4,999)	4.50	3.38	4.59	Mth
HICA 5000 (£5,000+)	5.25	3.94	5.38	Mth
OMNIA	5.75	4.31	5.90	Yearly
TOMNIA	6.10	4.60	6.21	Yearly
TREANNA	6.15	4.61	6.33	Yearly
FOMNIA	6.20	4.90	6.36	Yearly
SIMNA (£2,001-£9,999)	6.25	4.69	6.43	Yearly
SIMNA (£10,000-£24,999)	6.30	4.73	6.40	Yearly
SIMNA (£25,000+)	6.35	4.76	6.54	Yearly
PREMIER TESSA	7.02	5.27	7.25	Yearly
Classic Tessa	6.35	4.76	6.54	Yearly
Premier Feeder	7.02	5.27	7.25	Yearly

American Express Bank Ltd
Sussex House, Burgess Hill RH15 9AQ 01273 693 555
High Performance Cheque Account

MANAGEMENT SERVICES

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

BERMUDA (REGULATED)(**)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

هكذا من الأصل

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details.

Selling Price | Buying Price | +/- | Yield Bres

Credit Investment Funds - Contd.

NICAM Asia Pacific Umbrella Fund

Allied Dunbar International Assce Ltd (c)

Premier Life

CA Securities Investment Fund Mangt Ltd

Global Asset Management - Contd.

MFS Meridian Funds

Republic Funds

OTHER OFFSHORE FUNDS

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ will as prefix refer to U.S. dollars.
Trade to allow for all buying expenses.
Prices of certain offshore insurance linked plans subject to capital gains tax on sales.
(m) Funds not GB recognised. The regulatory authorities for these funds are:
Bermuda - Bermuda Monetary Authority
Guernsey - Financial Services Commission
Ireland - Central Bank of Ireland
Isle of Man - Financial Supervision Commission
Jersey - Financial Services Department
Luxembourg - Institut Monetaire Luxembourgeois.
Initial charge - Charge made on sale of units.
Selling price - Bid or redemption price.
Buying price - Offer or issue price.
Time - The time shown alongside the fund manager's name is the time of the fund's valuation point unless indicated by one of the following symbols:
(m) - 0001 to 1100 hours
(a) - 1101 to 1400 hours
(+) - 1401 to 1700 hours
(w) - 1701 to midnight
E - Exit charge on sale of units.
S - Manager's periodic charge deducted from capital.
M - Mark pricing F - Forward pricing
t - Distribution free of UK taxes.
p - Periodic premium insurance plans.
s - Single premium insurance plans.
3 - Designated as a 'UCITS Rule' offering for Collective Investment in Transferable Securities.
z - Offered price includes all expenses except agent's commission.
s - Previous day's price.
GB - Gross yield.
♦ - Yield before Jersey tax.
† - Ex-distribution. xd - Ex-dividend.
◊ - Daily publicity in charitable bodies.
♣ - Yield column shows annualised rates of NAV increase.

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Feb 23 / US$)
(4 pm close)

CANADA (Feb 23 / Can. $)
(4 pm close)

EUROPE

AUSTRIA (Feb 23 / Sch)

BELGIUM/LUXEMBOURG (Feb 23 / Frs.)

DENMARK (Feb 23 / Kr)

FINLAND (Feb 23 / Mkk)

FRANCE (Feb 23 / Frs.)

GERMANY (Feb 23 / Dm.)

ITALY (Feb 23 / Lire)

NETHERLANDS (Feb 23 / Fls.)

NORWAY (Feb 23 / Kroner)

SPAIN (Feb 23 / Pts.)

SWEDEN (Feb 23 / Kronor)

SWITZERLAND (Feb 23 / Frs.)

AFRICA

SOUTH AFRICA (Feb 23 / Rand)

PACIFIC

JAPAN (Feb 23 / Yen)

AUSTRALIA (Feb 23 / Aust$)

HONG KONG (Feb 23 / H.K.$)

MALAYSIA (Feb 16 / MYR)

SINGAPORE (Feb 23 / S$)

		+/-	High	Low	Yld	P/E
AuricP	2.41	-.03	2.84	1.90	—	—
DBS F	10.68	-.30	20.90	11.88	—	—
DFarm†	1	....	1.46	0.71	—	—
FrSNv	19.40	+.30	20.80	12.80	0.6	—
HKLad†	2.17	-.03	2.43	1.67	—	—
HawPar	3.28	+.05	3.36	2.82	3.4	—
Inchcp	4.92	-.06	5.30	4.06	6.1	—
JMath†	8.20	+.40	9.30	6.30	—	—
JStra†	3.36	+.06	4.26	2.57	—	—
Keppel	14	-.20	14.20	10	1.4	—
MandO†	1.34	-.03	1.80	0.90	—	—
OCBC F	19.80	-.50	20.70	11.70	0.8	—
OUB F	10.90	+.10	11.10	7.30	—	—
S AirF	14.80	-.10	15.70	11.80	1.5	—
SPressF	28.10	+.20	28.30	17.25	—	—
S'pngT	3.54	+.02	3.68	2.62	1.8	—
Straits	3.64	+.10	3.70	2.84	3.6	—
TatLee	4.06	+.04	4.18	3.55	2.8	—
UOB F	15.80	+.20	18	10.50	2.9	—

Prices supplied by Telekurs

NOTES – Prices on this page are as quoted on the individual exchanges and are mostly last traded prices. Highs/Lows are based on data from Jan 1 1995. 4 Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. † Priced in US $. (A) Owing to problems at the exchange, Spanish prices in yesterday's FT were for Feb. 21.

INDICES

	Feb 23	Feb 22	Feb 21	1995/96 High		1995/96 Low	
Argentina							
General(29/12/77)	(u)	16785.62	16705.85	18181.58	21/1/96	9831.09	9/3/95
Australia							
All Ordinaries(1/1/80)	2264.2	2254.1	2238.2	2300.80	14/2/96	1823.30	8/2/95
All Mining(1/1/80)	1033.2	1026.2	1015.1	1058.50	2/2/96	795.30	8/2/95
Austria							
Credit Aktien(30/12/84)	379.73	374.48	371.73	395.42	2/1/95	328.58	27/10/95
Traded Index(2/1/91)	1073.74	1055.72	1045.97	1094.98	7/2/96	882.15	23/10/95
Belgium							
BEL20(1/1/91)	1665.52	1641.95	1611.05	1715.74	1/2/96	1271.53	9/3/95
Brazil							
Bovespa(29/12/83)	(u)	52377.0		(c) 54460.00	2/2/96	21302.80	9/3/95
Canada							
Metals Minls♦(1975)	(u)	5159.78	5184.66	5370.39	8/2/95	3808.63	1/3/95
Composite♦(1975)	(u)	4980.90	4981.10	5059.89	14/2/96	3991.41	30/1/95
Portfolio§§(4/1/83)	(u)	2433.13	2415.44	2486.57	8/2/95	1983.36	30/1/95
Chile							
IGPA Gen♥(31/12/80)	(u)	5808.34	5630.51	6863.10	11/7/95	4576.98	9/3/95
Denmark							
CopenhagenSE(3/1/83)	385.27	383.71	380.30	391.35	13/2/96	330.01	29/3/95
Finland							
HEX General(28/12/90)	1847.90	1822.13	1782.58	2332.22	14/9/95	1685.30	29/3/95
France							
SBF 250(31/12/90)	1338.17	1320.69	1310.48	1338.17	1/2/96	1154.41	13/3/95
CAC 40(31/12/87)	1976.89	1953.26	1938.90	2024.09	1/2/96	1721.15	23/10/95
Germany							
FAZ Aktien(31/12/58)	868.10	862.57	849.39	882.59	1/2/96	708.87	30/3/95
Commerzbank(1/12/53)	2523.0	2504.1	2484.2	2558.90	21/1/96	2018.70	30/3/95
DAX†(30/12/87)	2451.78	2412.0	2381.12	2470.14	31/1/95	1910.98	28/3/95
Greece							
Athens SE(31/12/80)	976.21	975.31	974.25	999.30	22/1/96	787.15	16/3/95
Hong Kong							
Hang Seng(31/7/64)	11380.41	11338.45	(c)	11594.99	16/2/96	6967.93	23/1/95
India							
BSE Sens.(1979)	3492.95	3500.48	(c)	3932.09	2/1/95	2826.86	25/1/96
Indonesia							
Jakarta Comp.(10/8/82)	(c)	(c)	(c)	595.52	18/2/96	414.21	19/4/95
Ireland							
ISEQ Overall(4/1/88)	2324.45	2308.44	2283.67	2336.28	16/2/96	1813.59	23/1/95
Italy							
Banca Comm Ital(1972)	597.50	594.48	589.29	680.54	10/2/95	547.79	5/12/95
MIB General(2/1/95)	1013.0	1008.0	998.0	1082.00	9/2/95	982.00	15/1/96
Japan							
Nikkei 225(16/5/49)	20300.36	20340.94	20372.23	21118.30	8/2/96	14485.40	3/7/95
Nikkei 300(1/10/82)	292.99	293.95	294.15	307.98	5/1/96	222.28	13/6/95
Topix(4/1/68)	1568.18	1572.46	1572.71	1632.03	5/1/96	1193.16	13/6/95
2nd Section(4/1/68)	2056.59	2051.71	2054.33	2130.88	4/1/95	1441.50	13/6/95
Malaysia							
KLSE Comp.(4/4/86)	(c)	(c)	(c)	1090.05	18/2/96	840.87	24/1/95
Mexico							
IPC(Nov 1978)	(u)	2980.97	2907.83	3101.92	2/2/96	1447.52	27/2/95
Netherland							
CBS TtlRtnGenEnd 83)	562.4	558.5	554.7	567.50	14/2/96	422.80	23/3/95
CBS All Shr(End 83)	340.5	338.1	335.9	343.80	14/2/96	265.20	23/3/95
New Zealand							
Cap. 40(1/7/86)	2123.95	2099.34	2082.51	2206.02	20/10/95	1981.43	5/1/95
Norway							
Oslo SE(Ind)(2/1/83)	1319.17	1311.42	1292.79	1319.77	23/2/96	1036.08	10/3/95
Philippines							
Manila Comp(2/1/85)	2950.63	2952.81	2936.65	2964.12	10/7/95	2186.48	20/11/95
Portugal							
BTA(1977)	2809.6	2809.9†	2808.3	2911.80	9/1/95	2412.80	22/11/95
Singapore							
SES All-S'pore(2/4/75)	603.68	600.55	(c)	610.37	5/2/96	472.90	23/1/95
South Africa							
JSE Gold(28/9/78)	1746.8♥	1779.6	1702.0	2823.00	2/1/95	1250.20	30/10/95
JSE Ind.(28/9/78)	8392.9♥	8367.1	8312.7	8739.30	25/1/96	6222.00	31/1/95
South Korea							
KoreaCmpEx**(4/1/80)	876.55	881.88	883.23	1027.37	2/1/96	842.72	20/1/96
Spain							
Madrid SE(30/12/85)	340.87	340.78	338.67	340.87	23/2/96	284.08	23/3/95
Sweden							
AffarsvardsGen(1/2/37)	1871.7	1842.4	1803.6	1872.10	13/9/95	1438.80	29/3/95
Switzerland							
Swiss Bk Ind(31/12/58)	1568.23	1551.45	1546.94	1578.89	4/1/96	1174.83	13/3/95
SBC General(1/4/87)	1143.86	1133.78	1129.56	1165.58	4/1/96	870.58	13/3/95
Taiwan							
WeightedPr.**(30/6/66)	4965.0	(c)	(c)	7051.49	5/1/95	4503.37	14/8/95
Thailand							
Bangkok SET(30/4/75)	1342.56	1361.42	1379.38	1472.04	10/7/95	1135.89	18/3/95
Turkey							
Istanbul Cmp.(Jan 1986)	(c)	(c)	(c)	64853.90	21/4/95	24644.30	23/1/95
WORLD							
MS Capital Intl$(1/1/70)	761.4*	759.5	752.9	761.40	23/2/95	596.21	23/1/95
CROSS-BORDER							
Eurotrack 100(26/10/90)	1557.27	1536.56	1521.59	1570.74	1/2/96	1222.41	13/3/95
Euro Top-100(26/6/90)	1400.34	1387.61	1378.14	1410.12	2/2/95	1117.34	9/3/95
JCapeDrgns(31/12/88)	(u)	377.39	382.05	382.82	19/2/96	262.07	23/1/95
ING Bmgs Emrg(7/1/92)	157.82	158.91	155.89	182.72	5/2/95	117.16	10/3/95

INDEX FUTURES

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
CAC-40 (200 x Index)							
Feb	1975.0	1973.5	+11.0	1986.0	1970.0	20,368	28,160
Mar	1983.5	1981.0	+11.0	1992.0	1976.0	7,536	30,258
DAX							
Mar	-	2457.0	+2.5	2458.5	-	20,147	132,295
Jun	-	2469.5	+2.5	-	-	3,735	57,822

	Open	Sett Price	Change	High	Low	Est. vol.	Open int.
OMX							
Feb	1470.05	1480.00	+21.50	1482.50	1470.00	4,066	13,196
Mar	1482.00	1495.50	+24.75	1499.05	1479.25	7,826	19,712
SOFFEX							
Jan	3284.0	3297.5	+26.5	3307.5	3283.0	5,206	16,326
Feb	3282.0	3283.0	+22.0	3298.0	3282.0	6	2,150

** Sat Feb 17: Taiwan Weighted Price (c) ; Korea Comp Ex 889.34. Base values of all indices are 100 except Australia All Ordinary and Mining – 500; Austria Traded, BEL20, HEX Gen., MIB Gen., SBF250, CAC40, Euro Top-100, ISEQ Overall, Toronto Comp./Metals & Minerals and DAX – all 1,000; JSE Gold – 255.7; JSE 28 Industrials – 264.3; NYSE All Common – 50 and Standard and Poor's – 10. §§ Montreal. ♦ Toronto. (c) Closed. (u) Unavailable. † IBIS/DAX after-hours index: Feb 23 – 2449.52 +27.50.

US INDICES

Dow Jones	Feb 22	Feb 21	Feb 20	1995/96 High	1995/96 Low	Since compilation High	Since compilation Low
Industrials	5608.46	5515.97	5458.53	5608.46 (22/2/96)	3832.08 (30/1/95)	5608.46 (22/2/96)	41.22 (2/7/32)
Home Bonds	105.31	105.33	105.33	108.09 (14/2/96)	93.63 (3/1/95)	108.77 (18/10/93)	54.99 (1/10/81)
Transport	2111.37	2067.57	2027.65	2111.37 (22/2/96)	1473.19 (3/1/95)	2111.37 (22/2/96)	12.32 (8/7/32)
Utilities	228.69	226.24	225.75	234.00 (12/2/96)	183.03 (3/1/95)	256.46 (31/8/93)	10.50 (8/4/32)

DJ Ind. Day's High 5638.44 (5548.12) Low 5511.63 (5440.82) (Theoretical♦)
Day's High 5613.51 (5520.67) Low 3516.33 (5457.08) (Actual♦)

Standard and Poors	Feb 22	Feb 21	Feb 20	1995/96 High	1995/96 Low	Since compilation High	Since compilation Low
Composite‡	659.08	648.10	640.65	661.45 (13/2/96)	459.11 (3/1/95)	661.45 (13/2/96)	4.40 (1/6/32)
Industrials♥	778.23	763.15	754.52	778.23 (22/2/96)	546.28 (3/1/95)	778.23 (22/2/96)	3.62 (21/6/32)
Financial	66.97	65.97	65.15	67.43 (13/2/96)	41.64 (3/1/95)	67.43 (13/2/96)	8.64 (1/10/74)
NYSE Comp.	350.86	345.66	342.27	351.70 (13/2/96)	250.73 (3/1/95)	351.70 (12/2/96)	4.46 (25/4/42)
Amex Mkt Val	570.16	565.10	558.52	570.16 (22/2/96)	433.12 (6/1/95)	570.16 (22/2/96)	29.31 (9/12/72)
NASDAQ Cmp	1117.11	1096.85	1083.24	1117.11 (22/2/96)	743.58 (3/1/95)	1117.11 (22/2/96)	54.87 (31/10/72)

■ RATIOS

	Feb 16	Feb 9	Feb 2	Year ago
Dow Jones Ind. Div. Yield	2.16	2.13	2.19	2.72
	Feb 21	Feb 14	Feb 7	Year ago
S & P Ind. Div. yield	1.88	1.87	1.88	2.36
S & P Ind. P/E ratio	19.90	20.07	18.86	19.57

■ NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Close price	Change on day
Hanson	9,118,000	14⅝	+¾
Micron	8,847,000	38⅜	+1¾
CUC Intl	6,005,800	33⅝	+1⅞
IBM	5,351,700	124⅝	+3⅞
Texas Inst	5,348,800	53⅞	+2⅞
Fed Nat Mtg	5,082,400	33⅛	+⅛
Frontier	4,469,800	31⅝	—
Ford Motor	4,217,900	31⅝	+⅝
Cmp & Sth	4,052,500	27⅝	+1⅛
Citicorp	3,877,100	77⅝	+¾

■ TRADING ACTIVITY

● Volume (million)

	Feb 22	Feb 21	Feb 20
New York SE	485.447	430.230	395.021
Amex	31.070	24.767	23.333
NASDAQ	655.942	496.807	482.986
NYSE			
Issues Traded	3,104	3,099	3,101
Rises	1,761	1,503	516
Falls	657	795	1,989
Unchanged	686	801	616
New Highs	176	98	66
New Lows	16	10	21

	Open	Latest	Change	High	Low	Est. vol.	Open int.
■ S&P 500							
Mar	659.70	660.65	+0.70	664.95	660.65	87,835	188,585
Jun	669.20	667.00	+0.95	671.00	667.00	5,672	28,083

	Open	Sett price	Change	High	Low	Est. vol.	Open int.
■ Nikkei 225							
Mar	20530.0	20330.0	-80.0	20550.0	20270.0	23,613	142,583
Jun	20580.0	20300.0	-120.0	20580.0	20290.0	14,678	74,433

Open interest figures for previous day.

† Correction. * Calculated at 15.00 GMT. ● Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. ♦ The DJ Ind. index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ♥ Subject to official recalculation.

هكذا من الأصل

WORLD STOCK MARKETS

AMERICA

Equities rattled as bond market slides

Wall Street

US equities were rattled yesterday when the bond market reversed its morning *rally* and began sliding after the release of unexpectedly strong data on housing starts, *writes Lisa Bransten in New York.*

At 1 pm the Dow Jones Industrial Average was off 23.13 at 5,556.07 after sharp early session gains. The Standard & Poor's 500 fell 2.74 at 656.12, *and the American Stock* Exchange composite was 1.77 stronger at 568.39. Volume on the NYSE came to 273m shares.

In early trading the benchmark 30-year Treasury added nearly half a point on weakness in the commerce department's preliminary estimate of gross domestic product growth in the *fourth quarter of last* year.

The early gains in bonds spurred increases in equities, sending the Dow up more than *50 points* in *30 minutes of trading* and triggering restrictions on computerised buying for the third consecutive session.

But both rallies were cut short by the mid-morning release of data showing that housing starts rose by a stronger-than expected 4.4 per cent in January, following a 5 per cent *fall* in December.

By midday, the long bond was off more than ¾ of a point at 94[illegible], sending the yield to 6.393.

Technology shares, which had led the market in its strong gains on Wednesday and Thursday, also retreated as investors took profits. The *Nasdaq composite shed 4.33 at 1,112.78 and the Pacific Stock* Exchange technology index was 0.9 per cent lower.

Dell Computer fell $1⅞ or 5 per cent to $34⅞. Late on *Thursday the computer maker* reported fourth quarter profits in line with analysts' expectations, but the shares had risen $2½ since last week as investors *anticipated a strong earn*ings report.

Edmark tumbled $7 or 18 per cent at $32¼ after the software maker said that it expected *third quarter results* to be below analysts' estimates and forecast an operating loss for the quarter.

Alumax jumped $5⅝ or 17 *per cent at $38¼ after Kaiser* Aluminum approached the company late on Thursday with a proposal to buy it for $40-$45 a share. Alumax *rejected* the offer. *Kaiser* shares rose $⅝ or 4 per cent to $14⅞.

W. R. Grace slipped $2¼ at $66⅞ after Baxter withdrew its offer for the company's *National Medical Care unit*, thus clearing the way for its acquisition by Fresenius and putting an end to the bidding war for the unit. Shares in Baxter *added $1¼ at $45⅞*.

Latin America

MEXICO CITY started on the way up, in tandem with Wall Street, before weakness in the US market caused a shift in direction. By midsession the IPC index, which had risen to 3,013, was up 2.17 at 2,984.14.

The market had been encouraged late on Thursday by the release of better-than-expected inflation data for the first half of February.

SAO PAULO was up 1 per cent by midday, slightly down from opening levels, and very much with an eye on developments on Wall Street. The Bovespa index was up *542.92* at 52,920.

BUENOS AIRES was steady hu early afternoon, with the Merval index up 4.98 at 527.96. *Salomon Brothers reported* yesterday that it had increased its overweight allocation in Argentine equities to 19 per cent from 14 per cent.

Canada

Toronto opened higher in line with New York, but by 1 pm the TSE 300 composite index was down 20.29 at 4,960.58; the golds and precious metals index was 72.69 down at 12,330.84, and volume was up from 48.35m shares to 54.75m.

EUROPE

M3 data give Frankfurt an extra kick

Germany's M3 growth rate came in at the low end of market expectations for January, giving **FRANKFURT** an extra kick. Equities followed the course of the Dow, with the Dax index peaking at 2,466.31 – fewer than 10 points short of its all-time high – before closing 27.59 higher at 2,449.52, up 1.1 per cent on the week.

Turnover climbed from DM7.6bn to DM9.8bn. The search for quality took Siemens up another DM11.50 to DM829.50. Hoechst set plant closures in train at its US unit, Hoechst Marion Roussel, and *ended DM12.80 up at DM454.80.*

Special situations produced the big rises. Fresenius prefs put on another DM19.90, or more than 10 per cent, at DM216 as Baxter withdrew its offer for W. R. Grace's NMC, *and Grace said it was going* ahead with the alternative dialysis equipment merger with the German group.

Puma prefs, due to be converted into ordinary, rose another DM56 to DM565 for a *three day gain of 33 per cent* for the sportswear specialist.

PARIS speculated that interest rates might be cut again following the German economic data, while *US* buying also provided some support.

The CAC-40 index ended up 23.63 to 1,976.89, for a week's rise of 1.2 per cent. Turnover was FFr4bn at the start of the new account.

Euro Disney rose 75 centimes or 5.3 per cent to FFr15, with *analysts divided in their opin*ion on what had provoked the interest. Some said there was a report that the theme park's hotels were almost fully booked for the critical summer period; others credited speculation that the *1995/96 first-half* results, due out soon, would be above expectations; and a third opinion put the rally down to hopes for a general rise in consumer spending throughout the leisure sector.

VIENNA, an *early closer*, reflected Thursday's Wall Street to close with the ATX index 1.7 per cent higher at 1,073.74. **HELSINKI** got yesterday's Dow into a Hex index up 25.76 at 1,847.90, a rise of 3.5 *per cent on the week. But the* high flying Nokia A lost height as the afternoon moved on: FM179, up FM7.50 at its peak and FM174, up FM2.50, by the close, it was US$37⅞, down US1⅛, as US dealings moved *into midsession.*

Something similar happened in **STOCKHOLM**, where Ericsson, Astra and Pharmacia & Upjohn rose in echelon at home, with gains of SKr4.50 at SKr152, SKr7.50 at SKr315, *and SKr7.50 at SKr295 respec*tively. Ericsson ADRs came back by $¼ to $22½ in New York, in parallel with Nokia.

AMSTERDAM was motivated by the opening surge on Wall Street, although profit-taking kicked in at the close to bring the AEX index back to 510.60, up 3.10 on the day and 0.4 per cent on the week.

Akzo Nobel fell Fl 1.20 to *Fl 186.30* ahead of *Monday's* 1995 results, which were expected to show a *rise* in profits over the 1994 period. Brokers said yesterday that they feared the results would be lower than expectations.

DSM, which brings out its own figures on Thursday, eased Fl 1.40 to Fl 155. The group foreshadowed doubled 1995 profits at the end of last month. The stock had been supported throughout the week after the government announced it was to convert its 20 per cent stake into preference shares.

Unilever stayed weak as more brokers suggested switching out of the multina*tional into other companies* in the sector. It fell another 20 cents to Fl 223.20, down 5 per cent on the week.

ZURICH liked the German data and its effect on bond futures, the SMI index putting on 32.0 at 3,296.4 for a rise of 0.5 per cent on the week. The pharmaceuticals and chemicals majors all gained more than a percentage point, and Brown Boveri and Alusuisse rose by SFr12 to SFr960 and SFr26 to SFr1,465 respectively, ahead of next week's balance sheet press conferences.

MILAN concentrated on international factors in the absence of *local* news, either corporate or political. The Comit index rose 3.02 to 597.50, for a week's gain of 1.2 per cent, as investors adjusted to the start of a new five-day settlement system.

OSLO hit an intraday, all-time high of 780.56 before the total index fell back slightly to a close of 778.64, up 4.56 on the day and 2.1 per cent on the week.

Kvaerner B, however, went against the trend, losing NKr4.50 to NKr197 as the market reacted nervously to confirmation by the Norwegian company that it would hold informal talks with Bremer Vulkan of Germany. Kvaerner, *Europe's largest shipbuilder*, said it had no plans at this stage to rescue the ailing German company in its entirety.

Written and edited by William Cochrane and John Pitt

FT-SE Actuaries Share Indices

Feb 23							THE EUROPEAN SERIES	
Hourly changes	*Open*	*10.30*	*11.00*	*12.00*	*13.00*	*14.00*	*15.00*	*Close*
FT-SE Eurotrack 100	1552.33	1551.99	1552.19	1554.44	1554.87	1557.50	1559.18	1557.27
FT-SE Eurotrack 200	1655.19	1656.73	1654.46	1656.07	1657.15	1658.81	1659.85	1658.13

	Feb 22	Feb 21	Feb 20	Feb 19	Feb 16
FT-SE Eurotrack 100	1536.56	1521.59	1518.94	1520.51	1538.18
FT-SE Eurotrack 200	1645.12	1630.05	1623.43	1639.28	1656.88

Base value 1000 (26/10/90): High/day: 100 - 1559.65; 200 - 1662.63 Low/day: 100 - 1551.23 200 - 1654.03. 1 Partial.

SOUTH AFRICA

Johannesburg closed a quiet day mixed, with golds lower because of a weak bullion price and industrials staging a last-minute recovery as De Beers jumped R3.40 to R127.90 on news of a deal with Russian diamond producers.

The overall index made 13.7 to 6,767.3. *Industrials* gained 5.8 to 8,392.9 and golds eased 32.8 to 1,746.8.

Familiar feeling dims European bank shares

George Graham charts a history of disappointment

Investors hoping for good returns from European bank stocks were disappointed again last year. In spite of a rally towards the end of the year, *the sector* continued to underperform.

The feeling should now be a familiar one. Although bank shares did relatively well in 1980-81, and again in 1985, long-term trends show a steady underperformance that stretches all the way back to the late 1970s.

"The *late 1995* bounce in the continental European bank sector is barely a pimple on the long term chart of decline," writes Mr Ian McEwen of broker Merrill Lynch.

Underperformance was the hallmark of banks in Germany, France, Spain and Italy. Although Union Bank of Switzerland and Crédit Suisse produced gains of more than 20 *per cent for a sterling investor* in 1995, they underperformed their domestic market, benefiting mainly from the strong Swiss franc.

With low growth and low inflation now prevailing in much of continental Europe, the prospect of further declines in interest rates has revived interest in bank shares.

But many brokers warn that *treating banks as an interest* rate play tends to provide only short-term returns. The benefits of declining rates are rapidly discounted in the market, and share prices fall back again.

So what is the longer term outlook for continental European banks? In fundamental terms, few analysts can find a good word to say about likely performance.

Even the more bullish argue only that bank stocks in key countries such as Germany have fallen far enough to be due for a rebound. They do not predict a strong growth in revenues *or significant progress* in cost-cutting.

"We continue to regard the sector as technically oversold, if fundamentally uninspiring," comments Mr Matthew Czepliewicz, European banking analyst at Salomon Brothers, in a note on the outlook for German banks.

Quoted German banks are making returns on equity of only 8 or 9 per cent. In France, only the top performers, such as CCF and Société Générale, can match these returns, while the sector average, dragged down by Crédit Lyonnais, is barely over 6 per cent.

Banks in the Nordic countries, Spain and the Netherlands all generate average returns on equity in double digits, but only a handful, such as Banco Popular in Spain and Christiania and Den norske Bank in Norway, compare with the sector average in the UK of more than 20 per cent.

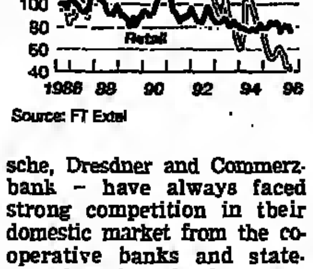
Germany's big banks – Deutsche, Dresdner and Commerzbank – have always faced strong competition in their domestic market from the co-operative banks and state-owned savings banks. Deutsche, despite being the largest bank in Europe by asset size, has only a 5 per cent share of its home market.

Aggressive regional banks such as West-LB have made inroads into the earnings traditionally enjoyed by the big three in treasury and corporate markets, and the threat of foreign banks coming in to take the cream off selected markets, although long unfulfilled, remains.

Although foreign stockbrokers are now counting on a management attitude that is more geared than in the past to producing returns for shareholders, few analysts expect that Deutsche, Dresdner and Commerzbank will be able to deliver significant cost cuts of the kind now being produced by the British banks – especially when they are investing heavily to build up their investment banking operations.

European banking

Sectors relative to the FT/S&P-A European index (ex UK)



Source: FT Extel

As the broker, James Capel, points out, shareholders in Dresdner and Commerzbank have pretty much paid for their own dividends in rights issues over the past five years. With German Tier 1 capital ratios well below those of peer banks in the *UK*, *Switzerland* or US, fears of further cash calls are widespread.

In France, the picture is even gloomier. The problems of the property market have weighed heavily on French banks' results, and are expected to continue to do so this year. But, according to the credit rating agency Standard & Poor's, "the banks' woes *are also due to a poison*ous cocktail made up of intensive competition, uneconomic pricing of loans and services, inflexible labour agreements and the *special* privileges accorded to mutual and savings banks."

Most foreign brokers tend to choose safety in the form of Société Générale, now trading at roughly 12 times 1996 fore*cast earnings – a less demand*ing price earnings ratio than the other perennial favourite, CCF, whose shares sell for 13 to 14 times 1996 earnings.

Price/earnings ratios are even higher for the Swiss banks, *if some brokers'* estimates of stagnant or even falling earnings prove to be correct.

Across Europe, banks are facing a similar challenge, although flavoured by their home market's special circumstances: with a low growth, low inflation economy likely to generate slow *revenue growth at best*, the key to future earnings growth lies in controlling costs.

Few continental banks, however, have yet shown the gusto of some of their British or US counterparts in tackling their *cost base. When they do*, the industry may take on an entirely different shape.

ASIA PACIFIC

Nikkei falls for seventh consecutive day

Tokyo

The overnight surge on Wall *Street failed to lift the Nikkei*, which opened higher on Friday but gradually lost those early gains on worries about the yen's rebound, as well as heavy institutional selling, *writes Gwen Robinson in Tokyo.*

The 225 average closed lower for the seventh consecutive trading day, shedding 40.56 to 20,300.38, after a low of 20,266.59 and a high of 20,499.70. The index lost 3 per cent on the week. It was the first time since January 1995 that the Nikkei had closed lower for seven consecutive sessions.

A decline in bank stocks also made its influence felt as fears grew that leading commercial banks would have to shoulder more costs than had been originally thought to liquidate troubled housing loan compa*nies in which they hold stakes.*

Volume was 334m shares against 314m on Thursday. The Topix index of all first section stocks dropped 4.28 to 1,568.18, and the Nikkei 300 lost 0.96 to 292.99. Declines led advances 534 to 485, with 186 unchanged.

In London, the ISE/Nikkei 50 index closed up 1.10 at 1372.32.

Heavy selling of bank shares forced down the Nikkei average: Industrial Bank of Japan was down Y60 to Y2,800; Dai-Ichi Kangyo Bank lost Y70 to Y1,950, and Sumitomo Bank shed Y30 to Y1,960.

Green Cross, formerly Japan Blood Bank, fell Y50 to Y692 on news that it could be forced to pay Y20bn in compensation to people who received its HIV-in*fected blood* products.

In Osaka, the OSE average gained 25.67 to 21,803.98 in volume of 72.99m shares.

Roundup

TAIPEI returned *from* holiday with a 1.2 per cent gain and brokers speculated that a government-organised T$170bn fund was being used to support prices. The weighted index rose 55.98 to 4,865.00. Turnover was T$13bn.

Late buying focused on financials, with the sector index rising 2.5 per cent, and rumours that the central bank *might* lower banks' reserve requirements in the near future.

International *Bills* rose 70 cents to T$18.90.

United Microelectronics, a semiconductor maker, rose 50 cents to T$63 on news that it planned to issue a higher than expected T$9.30 per share dividend for *1995*.

HONG KONG moved moderately higher after a volatile session which saw the cash market influenced by technical trading in futures.

The Hang Seng index gained 81.96 to 11,390.41 *after moving* in a 200-point range. Turnover fell to HK$4.95bn from HK$5.30bn. The market lost 1.8 per cent in a trading week shortened by the Chinese new year holiday.

Cheung Kong, which lost HK$2.25 on Thursday, came back 50 cents to HK$55.25, while HSBC, which announces 1995 results on Monday, also gained *50 cents* to *HK$127* after slipping HK$1.50 on Thursday.

BANGKOK lost 1.4 per cent as investors sold bank and finance stocks on worries about domestic inflation and banks' earnings growth. The SET index fell 18.86 to 1,342.56 in turnover of Bt6.9bn, off 3 per cent on the week.

SEOUL closed lower on Friday for the third consecutive session, dragged down by falls in the semiconductor sector. The composite index shed 5.05 to 876.55, barely changed on the week.

Dealers suggested that falling prices for semiconductors on the world market made investors sell Samsung Electronics, which lost Won2,000 to Won138,000.

Other Samsung Group shares also suffered: Samsung Electro Mechanics and Samsung Display Devices fell a respective Won600 and Won1,800 to Won37,000 and Won71,500.

WELLINGTON closed *the* week with a good gain in the NZSE-40 Capital Index of 24.61 to 2,123.95 as turnover swelled to NZ$90m. The index was *down 1.8 per cent on the week.*

SYDNEY was pulled off the day's highs by late profit-taking. The All Ordinaries index closed up 10.1 at 2,264.20, off a *high of 2,272.70, and off 1.4 per* cent on the week. Turnover was A$959.3m.

FT/S&P ACTUARIES WORLD INDICES

FT/S&P Actuaries World Indices are owned by FT-SE International Limited, Goldman, Sachs & Co. and Standard & Poor's. The Indices are compiled by FT-SE International and *Goldman Sachs in conjunction with the Faculty of Actuaries and the Institute of Actuaries.* NatWest Securities Ltd. was a co-founder of the Indices.

NATIONAL AND REGIONAL MARKETS *Figures in parentheses show number of lines of stock*	THURSDAY FEBRUARY 22 1996 US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	WEDNESDAY FEBRUARY 21 1996 US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX 52 week High	52 week Low	Year ago (approx)
Australia (81)	194.65	1.2	187.01	129.22	146.90	171.75	0.8	3.89	192.33	184.63	127.83	145.11	170.44	200.32	158.76	161.36
Austria (26)	186.55	0.7	178.22	123.84	140.78	140.65	0.8	1.53	185.17	177.76	123.08	139.71	139.59	199.28	168.11	182.32
Belgium (34)	208.48	1.4	200.30	138.41	157.34	153.53	1.4	3.43	205.55	197.32	136.62	155.09	151.38	215.81	172.86	173.02
Brazil (28)	163.24	0.9	156.83	108.37	123.19	295.04	0.8	1.57	161.76	155.29	107.52	122.05	292.54	170.25	86.06	115.63
Canada (101)	155.35	0.9	149.25	103.13	117.24	154.72	0.5	2.43	153.95	147.79	102.33	116.18	153.94	168.71	125.84	127.59
Denmark (33)	301.92	1.0	290.06	200.43	227.85	230.55	1.0	1.54	299.00	287.03	198.73	225.60	228.28	304.88	252.41	259.58
Finland (24)	183.76	1.2	176.54	121.99	138.69	173.89	1.1	1.84	181.65	174.38	120.74	137.08	171.93	276.11	171.13	182.65
France (96)	186.25	0.9	178.94	123.64	140.56	146.01	0.8	3.13	184.59	177.20	122.69	139.28	144.83	191.17	151.53	164.28
Germany (60)	171.23	0.8	164.51	113.67	129.23	129.23	0.8	1.87	169.78	162.99	112.85	128.10	128.10	171.60	142.25	149.35
Hong Kong (59)	440.70	-2.3	423.39	292.56	332.59	437.54	-2.3	3.24	451.16	433.11	299.88	340.42	447.97	451.19	321.97	321.37
Ireland (16)	257.02	1.1	246.92	170.62	193.97	228.01	1.2	3.47	254.35	244.17	169.06	191.91	226.35	262.70	205.44	219.76
Italy (59)	73.14	-0.1	70.26	48.55	55.19	85.73	-0.3	1.74	73.16	70.25	48.64	55.22	85.98	82.71	65.45	75.71
Japan (482)	151.01	0.1	145.08	100.25	113.97	100.25	0.0	0.76	150.88	144.84	100.28	113.84	100.28	184.82	136.86	146.01
Malaysia (107)	525.58	0.0	504.93	348.90	396.63	516.67	0.0	1.62	525.72	504.68	349.43	396.68	516.67	561.96	425.77	468.87
Mexico (18)	1142.41	2.3	1097.53	758.38	862.14	9421.60	2.5	1.48	1116.24	1071.56	741.93	842.22	9196.05	1237.14	847.91	914.21
Netherland (19)	280.12	0.5	269.11	185.95	211.39	207.86	0.7	3.22	278.35	267.21	185.01	210.02	206.55	283.23	225.09	226.99
New Zealand (14)	79.75	0.8	76.61	52.94	60.18	62.75	1.0	4.82	79.11	75.94	52.58	59.69	62.11	85.49	72.39	73.21
Norway (33)	241.86	1.2	232.35	160.55	182.52	208.24	1.2	2.20	238.87	229.31	158.77	180.23	205.85	243.79	202.76	208.79
Singapore (44)	456.24	-0.5	438.32	302.87	344.31	295.76	-0.2	1.36	458.66	440.30	304.86	346.06	296.33	465.21	342.37	342.37
South Africa (45)	392.76	4.3	377.33	260.73	296.40	333.94	2.3	3.57	376.65	361.57	250.34	284.18	326.41	437.78	303.31	306.59
Spain (37)	175.20	0.7	168.32	116.31	132.22	162.31	0.5	3.70	174.04	167.07	115.68	131.31	161.27	175.20	124.10	132.28
Sweden (47)	331.55	3.1	318.53	220.10	250.21	331.13	2.7	2.13	321.45	308.59	213.66	242.54	322.40	331.55	232.23	245.03
Switzerland (39)	227.95	0.8	219.00	151.32	172.03	167.11	0.4	1.60	226.68	217.60	150.66	171.03	166.46	239.55	171.70	171.86
Thailand (46)	185.90	-1.4	178.59	123.41	140.29	181.94	-1.4	2.07	188.57	181.02	125.34	142.28	184.54	193.95	130.16	144.62
United Kingdom (205)	233.01	0.3	223.95	154.68	175.84	223.85	0.4	4.03	232.29	222.98	154.40	175.27	222.98	235.50	192.74	194.42
USA (631)	268.82	1.7	258.25	178.45	202.87	268.82	1.7	2.15	264.41	253.83	175.74	199.50	264.41	269.11	197.20	198.55
Americas (778)	245.09	1.6	235.46	162.70	184.96	206.05	1.8	2.15	241.13	231.48	160.27	181.94	202.75	245.54	180.00	191.80
Europe (730)	204.65	0.7	196.61	135.86	154.44	175.25	0.7	3.00	203.25	195.11	135.09	153.35	174.09	204.70	169.63	171.73
Nordic (137)	288.72	2.3	277.38	191.67	217.89	249.04	2.0	2.00	282.25	270.95	187.60	212.96	244.06	295.02	222.22	232.55
Pacific Basin (833)	164.40	-0.1	157.94	109.14	124.07	112.37	-0.2	1.18	164.50	157.91	109.34	124.11	112.56	171.87	145.95	152.75
Euro-Pacific (1563)	181.07	0.3	173.95	120.20	136.65	136.22	0.2	2.04	180.54	173.31	120.00	136.22	135.92	183.38	158.37	160.57
North America (732)	261.82	1.6	251.54	173.81	197.59	261.20	1.8	2.18	257.60	247.28	171.27	194.36	257.02	262.26	162.77	194.15
Europe Ex. UK (525)	184.67	0.9	177.41	122.59	139.36	148.20	0.8	2.43	183.01	175.69	121.64	138.08	147.00	184.87	152.92	155.46
Pacific Ex. Japan (351)	287.89	-0.7	276.59	191.11	217.26	252.67	-0.7	2.91	289.85	278.25	192.65	218.69	254.56	292.89	229.25	229.30
World Ex. US (1755)	182.51	0.4	175.34	121.18	137.79	140.53	0.3	2.07	181.78	174.50	120.82	137.15	140.13	184.71	156.72	160.79
World Ex. UK (2181)	206.92	1.0	198.79	137.36	156.15	172.78	0.8	1.91	204.85	196.65	136.16	154.56	171.20	207.64	166.82	169.93
World Ex. Japan (1904)	241.32	1.2	231.84	160.20	182.11	226.73	1.1	2.50	238.46	228.92	158.50	179.92	224.18	241.32	187.55	188.17
The World Index (2386)	209.25	0.9	201.03	138.91	157.91	177.44	0.9	2.11	207.29	198.99	137.78	156.40	175.90	209.88	169.20	172.09

Latest prices were unavailable for this edition. Market closed 22/2/96: Malaysia.

LONDON EQUITIES

LIFFE EQUITY OPTIONS

Option		Calls Apr	Jul	Oct	Puts Apr	Jul	Oct
ASDA	100	8	10½	13	2½	4	6
(*104½)	110	3	6	8½	7½	9	11
Allied Domecq	500	31½	40	49½	6	17	20
(*520)	550	9½	16	26½	32½	46	48
Argyll	300	13	19½	23½	9½	18½	21
(*301½)	330	2½	8½	12	29½	38½	40
BAA	460	40½	48½	55	2½	8½	11
(*494½)	500	13	23	31	15	27½	27
Bass	700	53	67	81	6	16	21½
(*741)	750	21	37	52½	24	36½	42½
Boots	550	48½	57	63	2½	11	15
(*591)	600	15	25½	34	18	31½	37
Brit Airways	460	45	53	58½	2	9½	12½
(*496½)	500	17	28½	36	14	25½	29
BP	500	35½	44½	51	4	10½	14
(*527½)	550	7½	18	25	26	32½	37½
British Steel	160	21	24	25½	1	5	7
(*178½)	180	7	11	14	7½	14½	16½
Cable & Wire	420	45	53½	61½	3½	11½	14½
(*458)	460	16	30	38	17	27	31
Comm Union	600	22	36	43	20	29	38
(*614½)	650	4½	16½	23½	57½	62	69½
Courtaulds	420	23½	33	38	9	26	33
(*432)	460	6	14½	20	31	44	46½
Glaxo	900	36½	55½	68	22	33	47½
(*922½)	950	13	32½	45½	52½	61	75½
HSBC 75p	1050	45½	72	89½	35½	51½	66½
(*1072½)	1100	21½	49½	67	64½	79½	94
ICI	850	40½	55½	66½	19½	28½	40½
(*881½)	900	13½	31½	42½	46½	55½	67
Kingfisher	500	31	39½	46½	11	19½	24½
(*521½)	550	6½	17	25½	42½	40	52
Land Secur	600	24½	32	38½	6½	19	23
(*613½)	650	3½	9	14½	37	52½	55
Marks & S	420	15½	22	28	9½	17½	20½
(*423)	460	2½	7	12	37½	44	46
NatWest	700	21	41	50	21	36	45½
(*708)	750	8	21	30½	64	68½	76
PowerGen	500	47½	58½	62½	3½	14	15½
(*539½)	550	16	27	35	20	33½	38
Reuters	650	49½	65	78	10	19½	27
(*691½)	700	20½	36½	53	31	41½	50
Royal Insce	360	31½	38	48	7	14½	21
(*389½)	390	11½	23	31	21½	29	36
Sainsbury	360	27½	32	37½	3	9½	12½
(*381)	390	9½	18	22	15	24½	27
Shell Trans.	850	19	27½	37	20½	34½	41½
(*851½)	900	2½	16	18	69	71	75
Smkl Bchm A	700	31½	48½	58½	11½	23	30½
(*719½)	750	9½	28	34½	40½	49½	56½
Std Chartd	600	25	38	71½	29	40	58
(*601½)	650	16	40½	51½	62½	78½	88
Storehouse	300	14½	22	23	7	13½	17
(*304½)	330	3½	10	15	28½	31	34
Thames Wtr	500	42½	50½	54	2½	13½	18
(*536)	550	10	29	28	20½	36	41
Trafalgar	35	8	8½	10	2½	4½	6
(*38)	40	3½	6½	8	5	7	8
Unilever	1200	41	53	72½	25	34	39
(*1216½)	1250	16	30	48	50	64	67½
Zeneca	1250	39½	74½	93½	37½	55½	67½
(*1262)	1300	16	51½	70½	68½	85½	95
Option		May	–	–	May	–	–
Eastern Elec	950	38½	–	–	½	–	–
(*975)	1000	4	–	–	25	–	–
Option		May	Aug	Nov	May	Aug	Nov
BAT Inds	550	35	44½	53	15½	36	31
(*576½)	600	11½	23	29½	45½	54	58½
BTR	300	23½	26½	29	5	7½	11½
(*321)	330	6½	11	13½	21	23	26½
Brit Aero	850	48	72½	87½	30½	43	52
(*864)	900	26	48½	63½	60½	70	78
Brit Telecom	360	21	26½	30½	7½	15½	18
(*368½)	390	7	13½	18	24½	33	36
Cadbury Sch	500	41	52½	59	10½	15½	21
(*536½)	550	13	26½	34	35	40	45½
GEC	360	27	34	38	6½	14	17
(*376½)	390	10½	17½	22½	20	29	32

Option		Calls May	Aug	Nov	Puts May	Aug	Nov
Grand Met	420	38½	45½	53	6½	14½	18½
(*443½)	460	14½	24	32½	24½	34	37½
Guinness	420	32½	37½	43½	8	13	17
(*445½)	460	9½	17½	23½	30	34	37½
Hanson	180	12½	14	18½	4½	8	11
(*188½)	200	4½	5½	9½	15½	20	23
Lasmo	180	15	17½	20½	10½	13	14½
(*181)	200	8	10	12½	23	24½	25½
Ladbroke	180	17	23	26½	12½	17	19
(*186)	200	9½	14½	18	24	28½	30½
Lucas Inds	180	14	19	22	6	9	12½
(*187½)	200	4½	10	12½	17	20	23½
P & O	500	38	45½	48½	17½	22	31½
(*525½)	550	11½	21	26	48½	51½	61
Pilkington	218	13	18	–	8	11	–
(*211½)	229	6½	9½	–	19½	24½	–
Prudential	420	31½	42½	47½	11	18	23½
(*445½)	460	10½	22	28½	33	39	44½
RTZ	900	44½	68½	81½	19	30	38
(*914)	950	20	43½	55½	46	55½	63
Redland	390	35½	40½	45½	11	16	20
(*416½)	420	17	24½	36	26	31	35
Rolls-Royce	200	16	21½	24½	7	10½	13
(*209)	220	6½	12	15½	18½	21½	23½
Tesco	260	18	22½	28	8½	11	14
(*270½)	280	7½	13	18½	19½	22	24½
Utd Biscuits	220	18½	24	28	6½	10	12
(*235)	240	8½	14½	18½	17½	20½	22½
Vodafone	220	21½	27	32½	7	12	15
(*232½)	240	10½	16½	22	18	21½	24½
Williams	300	33	35	38½	3	4½	7½
(*329)	330	11½	18	19	16	17	20½
Option		Mar	Jun	Sep	Mar	Jun	Sep
Abbey Natl	550	48	53½	62½	4	14	22½
(*596)	600	11½	25	36½	26	37	46½
Amstrad	200	18½	27½	34	3½	9½	12½
(*217)	220	6	16½	22½	11½	19	23
Barclays	750	45½	65½	69½	5	17½	27½
(*794)	800	9	28½	42	29½	41	51½
Blue Circle	330	24½	30	37	2	12	18
(*352)	360	8	13½	22	13	27½	31½
British Gas	220	21	25½	27½	½	6½	9½
(*239½)	240	6½	12½	16	8	16	19
Dixons	420	34½	48	56	2½	10	16½
(*450½)	460	9	25½	33½	15½	26½	34
Forte	343	6½	14	17	2½	4½	7½
(*347½)	373	½	3½	6½	25½	26	26½
Hillsdown	160	18½	25	20½	–	4	6½
(*177½)	180	3½	7	8½	5½	14	16½
LloydsTSB	322	8	16½	–	13	18	–
(*322)	352	½	6½	–	40	40½	–
Lonrho	180	17½	24½	28	½	3½	6
(*196)	200	4½	13	16½	7½	11½	14
Natl Power	460	28½	43	48½	2½	10½	16½
(*486½)	500	6½	20	28	16	30½	37
Scot Power	360	17	28	33½	3	8	15
(*373)	390	3	12	17½	19	22	30½
Sears	90	6	9	9½	½	3	4½
(*95)	100	1	3	4½	5½	8	10
Tarmac	110	10½	14½	17	1	5	7
(*119)	120	4	9	12	4½	9½	12
Thorn EMI	1600	39	88½	110½	26½	52½	77
(*1605½)	1700	7	44	64½	96	110½	134
Tomkins	260	12	20½	25	3	8	13½
(*268)	280	3	10½	15	14	18	24
Option		Mar	Jun	–	Mar	Jun	–
Fisons	250	5	5	–	½	8½	–
(*255)	280	–	–	–	15	18	–

* Underlying security price. Premiums shown are based on settlement prices.
February 23 Total contracts, Equity and Index options: 38,230 Calls: 16,824 Puts: 17,406

FT GOLD MINES INDEX

	Feb 22	% chg on day	Feb 21	Year ago	Gross div yield %	P/E ratio	52 week High	Low
Gold Mines Index (33)	2313.11	+1.3	2284.32	1766.19	1.43	–	2620.73	1686.31
● Regional Indices								
Africa (16)	3147.49	+5.9	2973.44	2695.52	2.71	36.81	3553.86	2272.74
Australasia (5)	2593.38	+0.5	2579.73	1899.77	2.38	39.83	2927.34	1899.77
North America (12)	2033.27	-0.7	2047.70	1474.76	0.66	61.37	2186.38	1398.98

Figures in brackets show number of companies. Base US Dollars. Base Values: 1000.00 31/12/92. † Partial. Latest prices were unavailable for this edition.

RISES AND FALLS

	On Friday Rises	Falls	Same	On the week Rises	Falls	Same
British Funds	16	40	14	87	214	39
Other Fixed Interest	0	2	12	1	12	57
Mineral Extraction	89	31	90	344	337	423
General Manufacturers	160	60	415	715	580	2,000
Consumer Goods	55	37	147	233	259	703
Services	119	73	319	517	475	1,563
Utilities	17	15	13	69	79	77
Financials	113	52	233	466	438	1,086
Investment Trusts	174	39	378	462	755	1,728
Others	73	21	43	205	206	265
Totals	846	370	1,662	3,108	3,335	7,941

Data based on those companies listed on the London Share Service.

TRADITIONAL OPTIONS

First Dealings	Feb 19	Expiry	May 18
Last Dealings	Mar 1	Settlement	May 23

Calls: Dana Pet, Global Grp, Lasmo, McDonnell Info Sys, Premier Oil, Thorn EMI.
Puts: Helene. Puts & Calls: BCE, Burton, Pan Andean, Premier Oil.

LONDON RECENT ISSUES: EQUITIES

Issue price p	Amt paid up	Mkt. cap (£m.)	1995/96 High	Low	Stock	Close price p	+/-	Net div.	Div. cov.	Grs yld	P/E net
–	F.P.	50.2	504	502	BZW Eq (Brmda)	502	-1	–	–	–	–
–	F.P.	6.26	6½	5½	†Ballynatray	6	+½	–	–	–	–
7.5	F.P.	15.3	8½	8¼	Clubhaus	8¼	-1	–	–	–	11.6
–	F.P.	0.08	5½	3½	Clubhaus Wrts	3½		–	–	–	–
–	F.P.	13.1	80	70	†Ometek	70		–	–	–	–
–	F.P.	13.9	15	11	Ex-Lands Props	12½	-1	LN0.5	–	5.0	–
–	F.P.	0.19	13½	8½	Ex-Land Wrts	8½		–	–	–	–
60	F.P.	34.3	68	63	MediaKey	63		LN0.96	–	1.9	–
–	F.P.	0.19	8	8	†Nthm Pltm Wrts	9		–	–	–	–
–	F.P.	16.2	71	66	†Optical Care (8)	70	+2	–	–	–	–
–	F.P.	3.10	13	12	Ormonde	12		–	–	–	–
–	F.P.	1.13	105	100	†Revelation P'dily	105		–	–	–	–
54	F.P.	2.97	60	51	†Self Sealing Sys	51		–	–	–	–
175	F.P.	123.6	223	198	Shire Pharms	203	-3	–	–	–	–
–	F.P.	1.00	8	8	†SkyePharma Wrts	8¼		–	–	–	–

† Alternative Investment Market. For a full explanation of all other symbols please refer to The London Share Service notes.

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renun. date	1995/96 High	Low	Stock	Closing price p	+or-
152	Nil	2/4	19pm	14pm	Ashtead	14pm	-1½
310	Nil	6/3	128pm	100pm	Brit Borneo	123pm	-3
540	Nil	8/3	82pm	58pm	Farnell Uts Ln	75pm	+4
10	Nil	14/3	2½pm	1½pm	IAF	2pm	
70	Nil	7/3	39pm	26pm	Innovative Techs	26pm	
125	Nil	2/4	1pm	¼pm	Lookers	¼pm	-¼
155	Nil	9/4	16pm	12pm	Persimmon	16pm	

pm premium.

FINANCIAL TIMES EQUITY INDICES

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Yr ago	*High	*Low
Ordinary Share	2760.8	2761.5	2741.0	2720.5	2734.5	2314.3	2788.2	2238.3
Ord. div. yield	3.88	3.89	3.87	3.90	3.85	4.59	4.73	3.78
P/E ratio net	16.14	16.13	16.49	16.40	17.08	16.93	21.33	15.35
P/E ratio nil	15.93	15.93	16.27	16.18	16.86	16.14	22.21	15.17

Ordinary Share Index since compilation: high 2788.2 18/01/96; low 49.4 26/6/40. Base Date: 1/7/35.

Ordinary Share hourly changes

Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.00	High	Low
2774.1	2774.1	2766.1	2765.0	2763.1	2764.2	2765.1	2768.3	2760.9	2776.2	2759.2

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Yr ago
SEAQ bargains	31,881	91,140	30,449	30,733	31,118	21,580
Equity turnover (£m)†	–	1999.0	2113.2	1845.3	1361.7	1241.0
Equity bargains†	·	36,8881	36,006	35,690	37,902	29,317
Shares traded (m)†	–	625.2	685.1	597.8	499.8	473.2

†Excluding intra-market business and overseas turnover.

	Feb 23	Feb 22	Feb 21	Feb 20	Feb 19	Yr ago	*High	*Low
FT-SE AIM	1033.76	1026.89	1022.78	1023.15	1032.92	·	1054.62	1000.0

*For 1995/96.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ф Bargains done the previous day.

British Funds, etc

Treasury 13¼% Stk 2000/03 - £124¼ (21Fe96)
Guaranteed Export Finance Corp PLC 12⅞% Gtd Ln Stk 2002(Reg) - £125⅛ .175 (19Fe96)

Corporation and County Stocks

Birmingham Corp 3½% Stk 1946(or after) - £37
Blackburn Corp 3½% Irrd Stk - £36 (16Fe96)
Bristol(City of) 11½% Red Stk 2008 - £119½ (19Fe96)
Dudley Metropolitan Borough Council7% Ln Stk 2018 (Reg/F/P) - £83⁷⁄₁₆
Leeds(City of) 13½% Red Stk 2006 - £131
Manchester Corp 4% Cons Irrd Stk - £43
Salford (City of) 7% Ln Stk 2019(Reg) - £82⁷⁄₁₆ (20Fe96)

Foreign Stocks, Bonds, etc- (coupons payable in London)

Spain(Govt of) 4%(Sealed Bds) - £40½ (21Fe96)
Abbey National Treasury Servs PLC 8% Gtd Nts 1999(Br£1000,10000,100000) - £96.3 (20Fe96)
Abbey National Treasury Servs PLC 8% Gtd Bds 2003 (Br £ Var) - £98 45 ½ (21Fe96)
Asian Development Bank 11% Bds 2001 (Br £1000&10000) - £113.55 (21Fe96)
BAE Finance BV 8% Nts 1997(Br$10000) - $102.4 (21Fe96)
BOC Group PLC 5⅞% Nts 2001 - $99.3 (21Fe96)
Barclays Bank PLC 6.5% Nts 2004(Br£Various) - £91⁷⁄₁₆ (16Fe96)
Barclays Bank PLC 9% Perm Int Bearing Capital Bds(Br£ Var) - £92¼ф
Barclays Bank PLC 10¼% Sen Sub Bds 1997(Br£1000&10000) - £108.1 (19Fe96)
Bradford & Bingley Building SocietyCollared FltgRteNts 2003(Reg Mult£1000) - £98
British Gas PLC 7⅝% Bds 2000 (Br £ Var) - £99 45 .55 (21Fe96)
British Gas PLC 8⅛% Bds 2003 (Br £ Var) - £99.8 (19Fe96)
British Telecommunications PLC Zero Cpn Bds 2000(Br£1000&10000) - £74½ ⅞ (21Fe96)
British Telecommunications PLC 7⅛% Bds 2003 (Br £ Var) - £95⅜
British Telecommunications PLC 8⅝% Bds 2020(Br£Vars) - £96⅞ (19Fe96)
Bupa Finance PLC 10½% Subord Gtd Bds 2018 (Br £ Var) - £100¾
Burmah Castrol Capital(Jersey) Ld 8½% Cnv Cap Bds 2006 (Reg £1000) - £169 70 ½
Cable & Wireless Int Finance BV 8⅝% Gtd Bds 2019(Br£ Vars) - £92⅞ (20Fe96)
Cheltenham & Gloucester PLC 11¾% Perp.Subord Bds (Reg £50000) - £124.22 .27 (16Fe96)
Commercial Union PLC 8.625% Gtd Bds 2005 - £99⅝ (20Fe96)
Denmark(Kingdom of) 6¾% Nts 1998 (Br £ Var) - £99⅞ ½ (21Fe96)
Dixons Group Treasury PLC 7¼% Gtd Bds 2004(Br£Various) - £95.1507 (20Fe96)
Elf Enterprise Finance PLC 8¾% Gtd Exch Bds 2006 (Reg £5000) - £102.36 .61 (20Fe96)
Elf Enterprise Finance PLC 8¾% Gtd Exch Bds 2006(Br£5000&100000) - £101 (19Fe96)
Finland(Republic of) 9¼% Nts 1997 (Br£ Var) - £103⅞ (20Fe96)
First Hydro Finance PLC 9% Gtd Sec Bds 31/7/2021(Reg) - £98½ (16Fe96)
Fisons PLC 8% Bds 2003 (Br£Var) - £98.489 (21Fe96)
Forte PLC 8⅜% Bds 1997 (Br £5000) - £101⅞ (21Fe96)
Forte PLC 9⅜% Bds 2003 (Br £ Var) - £101¼
Glaxo Wellcome PLC 6.125% Nts 2006 (Br$ Var) - $97.8 (20Fe96)
Glaxo Wellcome PLC 8¾% Bds 2005(Br£ Vars) - £103 ⅟₁₆ (16Fe96)
Guinness PLC 7⅞% Nts 1997 (Br £ Var) - £100⅝ ⅞ (20Fe96)
HSBC Holdings PLC 9⅞% Subord Bds 2018 (Br £ Var) - £103⅞ ½ (19Fe96)
Halifax Building Society 7½% Nts 1997(Br£Var) - £101.2 .4 .55 (19Fe96)
Halifax Building Society 8¾% Nts 1997 (Br£Var) - £103 ⅛ (21Fe96)
Halifax Building Society 7⅜% Nts 1998 (Br £ Var) - £101½ (21Fe96)
Halifax Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £99 (20Fe96)
Halifax Building Society Collared Fltg Rte Nts 2003 (Br £ Var) - £98 (20Fe96)
Hanson PLC 8½% Cnv Subord 2006 (Br £Var) - £100 ⅛ .2 ⅜
Hanson PLC 10⅜% Bds 1997 (Br £Var) - £105
Imperial Chemical Industries PLC 10% Bds 2003(Br£1000&10000) - £108½ (21Fe96)
International Bank for Rec & Dev 9¼% Bds 2007 (Br£5000) - £108⅛ (16Fe96)
International Bank for Rec & Dev 10% Bds 1999(Br£1000&10000) - £108⁷⁄₁₆ (16Fe96)
International Bank for Rec & Dev 10¾% Nts 1999 (Br£5000) - £108.45 .48 (20Fe96)
Ladbroke Group Finance(Jersey)Ld 9% Cnv Cap Bds 2005 (Br£5000&100000) - £99½ (20Fe96)
Land Securities PLC 9½% Bds 2007(Br£1000&10000) - £103¾ (21Fe96)
Land Securities PLC 9⅜% Cnv Bds 2004 (Br£5000&50000) - £111¼ (19Fe96)
Lasmo PLC 7¾% Cnv Bds 2005(Br£1000&10000) - £90¾ (21Fe96)
Lloyds Bank PLC 7⅜% Subord Bds 2004(Br£Various) - £94⁷⁄₁₆ .72 (16Fe96)
Lloyds Bank PLC 10¼% Subord Bds 1998(Br£10000) - £105½ ⅜ (20Fe96)
Lloyds Bank PLC 11⅜% Subord Serial Nts 1998(Br£10000) - £103 (21Fe96)
London Electricity PLC 8% Bds 2000 (Br £ Var) - £96⅝ф .65ф
London Electricity PLC 8⅝% Bds 2005 - £99.6ф ¾ф
London & Manchester Group PLC 8⅛% Nts 2004(Br£Vars) - £97.941ф
Mitsubishi Electric Corporation 5¾% Cnv Bds 1996(Br$5000) - $468 (19Fe96)
Municipality Finance Ld 8½% Gtd Nts 1997 (Br £Var) - £103.3 (21Fe96)
National Grid Co PLC 8% Bds 2008 (Br £ Var) - £97 .422 (21Fe96)
National Westminster Bank PLC 11¾% Subord Nts 2001 (Br £Var) - £115¾ (21Fe96)
National Westminster Bank PLC 11½% Und-SubNts £1000(Cnv to Prf)Reg - £108 (20Fe96)
Nationwide Building Society 8⅝% Subord Nts 2018 (Br £ Var) - £92ф
Nordic Investment Bank 7.75% Nts 1998 (Br £ Var) - £101.8 (20Fe96)
Norsk Hydro AS 8¾% Nts 2003 (Br £1000&10000) - £107⅞ (19Fe96)
Northumbrian Water Group PLC 9¼% Bds 2002 (Br £ Var) - £106⅛ (16Fe96)
Peabody Donation Fund(Governors of)10.25% Gtd Sec Stk 2023(Reg£1) - £113½ (21Fe96)
PowerGen PLC 8⅞% Bds 2008 (Br £1000&100000) - £104.15 (16Fe96)
Redland Capital PLC 7¼% Cnv Bds 2002(Br£1000&10000) - £94 (21Fe96)
Rothschilds Continuation Fin(C.I)Ld9% Perp Subord Gtd Nts (Br£Various) - £82¾ 3½ (20Fe96)
Royal Bank of Scotland PLC 8⅝% Bds 2004(Br£Vars) - £90⅞ (21Fe96)
Royal Insurance Hldgs PLC 8⅝% Subord Bds 2003 (Br £ Var) - £104½ (21Fe96)
Sainsbury(J) PLC 8.25% Nts 2000(Br£ Vars) - £102½ (21Fe96)
Sainsbury(J) PLC 8½% Bds 1996 (Br $5000&100000) - £119 (16Fe96)
Sainsbury (J.)(Channel Islands)Ld 8½%CnvCapBds 2005(Br £5000&100000) - £118⅞ ½
Samancor Overseas Financing Co Ld 7% Gtd Cnv Bds 2004(Br$5000&10000) - $97⅞ 98¼ (19Fe96)
SEEBOARD PLC 8½% Bds 2005(Br £ Var) - £101.05565 (20Fe96)
Severn Trent PLC 11⅝% Bds 2001 (Br £5000&100000) - £116½ (16Fe96)

FT-SE ACTUARIES INDICES

The FT-SE Actuaries Share Indices are calculated by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries.

The FT-SE Actuaries Indices are calculated in accordance with a standard set of ground rules established by FT-SE International Limited in conjunction with the Faculty of Actuaries and the Institute of Actuaries. "FT-SE" and "Footsie" are trademarks of the London Stock Exchange and The Financial Times Limited and are used by FT-SE International Limited under licence.

Auditor: The WM Company.

Constituent lists and additional information on all the FT-SE International Index products are available from: FT-SE International Limited, The Podium, St Alphage House, 2 Fore Street, London, EC2Y 5DA. Telephone: (0171 UK or 44 171 International callers) 448 1810. Facsimile: *(0171 UK or 44 171 International) 448 1834.*

SmithKline Beecham Capital PLC 8⅝%Gtd Nts 2000(Br£1000,10000&100000) - £103½ (16Fe96)
South Africa (Republic of) 9.375% Nts 2006 (Br £ Var) - £96¼
South Africa (Republic of) 9⅝% Nts 15/12/98(Reg $1000) - $108 (21Fe96)
State Electricity Comm of Victoria Zero Cpn Gtd A Nts 2001 (Br $A Var) - $A67¾ (20Fe96)
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006 (Reg £1000) - £100
Tarmac Finance (Jersey) Ld 9½% Cnv Cap Bds 2006(Br £5000&50000) - £98½ ½ (19Fe96)
Tate & Lyle Int Fin PLC 5¾% Gtd Bds 2001 (Br £5000) - £87¼ (20Fe96)
Tate&Lyle IntFin PLC/Tate&Lyle PLC 5¾% 7&LtFnGdBds 2001(Br) W/WtsT&LPLC - £87¼ (20Fe96)
Tesco PLC 8¾% Bds 2003(Br£Vars)(FyPd) - £103⅜
Thames Water PLC 9½% CnvSubordBds 2006(Br£5000&50000) - £125 ½
Tokyo Electric Power Co Inc 11% Nts 2001 (Br £1000,10000 & 100000) - £113.6 (21Fe96)
Trafalgar House PLC 10⅝% Bds 2006(Br£1000&10000) - £91¾ ⅞ (16Fe96)
Unilever NV 7.25% Bds 2004(Br$ Vars) - $105.67 105.73
Unilever NV $200m 8⅝% Debt Inst(Br$1000&100000) - $102¼
United Kingdom 7¼% Bds 2002(Br$Var) - $108⅞ (16Fe96)
United Kingdom 8% Treasury Nts 27/1/98(BrECU Vars) - EC105.41 (16Fe96)
Warburg(S.G.) Group PLC 9% Perp Subord Nts (RepNtsBr£) - £91¾ (21Fe96)
Welsh Water Utilities Finance PLC 7⅝% Gtd Bds 2014(Br£Var)(F/P) - £88.65
Woolwich Building Society 11% Nts 1996(Br£1000&10000) - £102 ½ (19Fe96)
Woolwich Building Society 11⅝% Subord Nts 2001 - £115⅞ (21Fe96)
Yorkshire Electricity Group PLC 8⅝% Bds 2005(Br£Var) - £101 (16Fe96)
Abbey National Treasury Servs PLC PTE3,650m 1.5% Nts 6/11/96 - PE95.19 (19Fe96)
Abbey National Treasury Servs PLC ESC5000m FRN 12/9/97 - PE89.78 (16Fe96)
Abbey National Treasury Servs PLC PTE3500m 3% Nts 6/10/97 - PE90.83 (19Fe96)
Finland(Republic of) £500m 7% Bds 26/10/2000 - £99½ (16Fe96)
Nordic Investment Bank CZK1500m 10.625% Debt Inst 10/11/2000 - CZ101½ 102.7 (20Fe96)
Sweden(Kingdom of) Y100000m 4⅝% Instruments 4/2/98 - Y105
Sweden(Kingdom of) ECU500m 7¼% Nts 30/6/2000 - EC103.45 103.55
Sweden(Kingdom of) £350m 7⅝% Bds 28/7/2000 - £105.09202 (20Fe96)
Swiss Bank Corporation £250m 8.75% Subord Bds 20/6/2005 - £101.4 .55 (21Fe96)
Toyota Motor Credit Corporation $300m 8.125% Nts 19/1/98 - $100.05
Toyota Motor Credit Corporation $750m 6.125% Nts 11/10/2000 - $101.6 (21Fe96)

Sterling Issues by Overseas Borrowers

Caisse Nationale Des Autoroutes 16% Gtd Ln Stk 2006 - £155 (19Fe96)
Denmark(Kingdom of) 13% Ln Stk 2005 - £131 (20Fe96)
European Investment Bank 9% Ln Stk 2001 (Reg) - £106⅝
European Investment Bank 9½% Ln Stk 2009 - £110¼ ⅜
European Investment Bank 10⅜% Ln Stk 2004(Reg) - £114⅝
European Investment Bank 11% Ln Stk 2002(Reg) - £116¾ (19Fe96)
Hydro-Quebec 15% Ln Stk 2011 - £147.18 (16Fe96)
Inco Ld 15¾% ULS 2006(With $ Option)(Br) - £145 (19Fe96)
International Bank for Rec & Dev 11.5% Ln Stk 2003 - £120½ (19Fe96)
New Zealand 11¼% Stk 2008(Reg) - £121¾ (19Fe96)
Portugal(Rep of) 9% Ln Stk 2016(Reg) - £101⅞ (20Fe96)

Listed Companies(excluding Investment Trusts)

Abbey National PLC 10⅜% Non-Cum Sterling Prf - 109¼ ½ ½
Abbot Group PLC 7¼% Cum Cnv Red Prf £1 - 77
Aberdeen Trust PLC Wts to sub for Ord - 80ф
Airflow Streamlines PLC 10% Cum Prf £1 - 100 (16Fe96)
Alexon Group PLC 6.25p (Net) Cnv Cum Red Prf 10p - 74 (21Fe96)
Allied Domecq PLC ADR (1:1) - $8.27
Allied Domecq PLC 5½% Cum Prf £1 - 62
Allied Domecq PLC 7½% Cum Prf £1 - 81 (21Fe96)
Allied Domecq PLC 11¾% Deb Stk 2003 - £126¾ 7 (16Fe96)
Allied Domecq PLC 6¼% Uns Ln Stk - £69 (19Fe96)
Allied Domecq PLC 7¾% Uns Ln Stk 93/98 - £97½
Allied Domecq Financial Servs PLC 6¾% GtdCnvSubordBds2008 RegMult£1000 - £99¾ .95 100 ¼
Allied Domecq Financial Servs PLC 6¾% Gtd Cnv Subord Bds 2008(Br £ Var) - £99½ (16Fe96)
Alvis PLC 5.5% Cnv Cum Non-Vtg Red Prf £1 - 80 (20Fe96)
American Brands Inc Shs of Com Stk $3.125 - £30 $ 46⅝
Aminex PLC Ord Ir£0.05 - 57
Anglian Water PLC 5⅛% Index-Linked Ln Stk 2008(6.478%) - £130½ 1 ⅝ ¾ (20Fe96)
Asda Property Hldgs PLC 8.125% 1st Mtg Deb Stk 2020 - £88⅞ (20Fe96)
Asda Property Hldgs PLC 10 5/16% 1st Mtg Deb Stk 2011 - £108½ (16Fe96)
Automated Security(Hldgs) PLC 5% Cnv Cum Red Prf £1 - 50 (16Fe96)
Automated Security(Hldgs) PLC 6% Cnv Cum Red Prf £1 - 50 ½ (21Fe96)
B.A.T Industries PLC ADR (2:1) - $17.885ф
BET PLC ADR (4:1) - £7.84 $ 12 .02
BET PLC 5% Perp Deb Stk - £52 (19Fe96)
BOC Group PLC ADR (1:1) - $14.15
BOC Group PLC 3.5% Cum 2nd Prf £1 - 52
BOC Group PLC 12¼% Uns Ln Stk 2012/17 - £126¼ф
BTP PLC 7.5p(Net) Cnv Cum Red Prf 10p - 178 81½ (19Fe96)
BTR PLC ADR (4:1) - $20.28
Bank of Ireland(Governor & Co of) Units NCP Stk Srs A £1 & £9 Liquidation - £12 (21Fe96)
Banner Homes Group PLC Ord 10p - 77 (21Fe96)
Barclays PLC ADR (4:1) - $49¼ф
Barclays Bank PLC 12% Uns Cap Ln Stk 2010 - £122¼
Barclays Bank PLC 16% Uns Cap Ln Stk 2002/07 - £141 (19Fe96)
Bardon Group PLC 7.25p (Net) Cnv Red Prf 25p - 94 (20Fe96)
Bardon Group PLC 11.25p Cum Red Prf 2005 10p - 110 2
Barnato Exploration Ld Ord R0.01 - 117 8 (16Fe96)
Barr & Wallace Arnold Trust PLC Ord 25p - 224 7
Bass PLC 10⅜% Deb Stk 2016 - £115.67 (21Fe96)
Bass PLC 7¾% Uns Ln Stk 92/97 - £101
Bass Investments PLC 7⅞% Uns Ln Stk 92/97 - £100 (20Fe96)
Bellway PLC 9.5% Cum Red Prf 2014 £1 - 113 ⅛
Bergesen d-y AS "B" Non Vtg Shs NK2.5 - NK126.13 .378 (21Fe96)
Birmingham Midshires Building Soc 9⅜% Perm Int Bearing Shs £1000 - £97¾ & ¼
Blue Circle Industries PLC ADR (1:1) - $5.34
Blue Circle Industries PLC 8¾% 2nd Deb Stk 1984/2009 - £79 (16Fe96)

Boddington Group PLC 8½% Uns Ln Stk 2000/05 - £103 (20Fe96)
Boots Co PLC ADR (2:1) - $18.55 (21Fe96)
Bradford & Bingley Building Society11⅝% Perm Int Bearing Shs £10000 - £120¼
Bradford & Bingley Building Society13% Perm Int Bearing Shs £10000 - £133½ 4 (21Fe96)
Bradford Property Trust PLC 10½% Cum Prf £1 - 118 (21Fe96)
Brent International PLC 9% Cum Red Prf £1 - 98¾ (20Fe96)
Brent Walker Group PLC Wts to Sub for Ord - 0¼
Brent Walker Group PLC 8.5% 3rd Non-Cum Cnv Red 2007/10 £1 - 0¾
Bristol Water PLC 8¾% Cum Irrd Prf £1 - 118¾ ⅞
Bristol Water Hldgs PLC Ord £1 - £11.95 (21Fe96)
Bristol Water Hldgs PLC 8.75% Cum Cnv Red Prf 1998 Shs £1 - 185 (16Fe96)
Bristol & West Building Society 13⅜% Perm Int Bearing Shs £1000 - £138 ¼ ½
Britannia Building Society 13% Perm Int Bearing Shs £1000 - £133¾ ½ ¾ 4
British Airways PLC ADR (10:1) - $77.15 ¼
British Land Co PLC 6% Subord Irrd Cnv Bds(Reg) - £90½ (20Fe96)
British Land Co PLC 8% Subord Irrd Cnv Bds (Br) - £97⅞ (21Fe96)
British Petroleum Co PLC 8% Cum 1st Prf £1 - 90
British Petroleum Co PLC 9% Cum 2nd Prf £1 - 94
British Steel PLC ADR (10:1) - $28.78 ⅞
British Steel PLC 11½% Deb Stk 2016 - £123¾ (20Fe96)
British Sugar PLC 10¾% Red Deb Stk 2013 - £118 (21Fe96)
Brunel Holdings PLC 4.6p (Net) Cnv Cum Red Prf 20p - 56¾ 7
Bulgin(A.F.) & Co PLC Ord Shs 5p - 48
Bulmer(H.P.)Hldgs PLC 8¾% 2nd Cum Prf £1 - 112¼
Bulmer(H.P.)Hldgs PLC 9½% Cum Prf £1 - 120 (20Fe96)
Burmah Castrol PLC 7¼% Cum Red Prf £1 - 79½ (21Fe96)
Burton Group PLC 8% Uns Ln Stk 1996/2001 - £98 8¼
Burtonwood Brewery PLC 7% Cum Prf £1 - 78 (19Fe96)
Butte Mining PLC 10% (Net) Cnv Cum Red Prf 1994 10p - 3 (21Fe96)
Caffyns PLC 10% Cum Prf £1 - 115 (19Fe96)
California Energy Co Inc Shs of Cum Stk $0.0675 - £14⅛
Cambridge Water Co Cons Ord Stk - £10500ф
Carlton Communications PLC ADR (2:1) - $31¼ .73
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Reg £5000) - £146 (20Fe96)
Carlton Communications PLC 7½% Cnv Subord Bds 2007(Br £5000) - £149 (16Fe96)
Caterpillar Inc Shs of Com Stk $1 - $68⅞
City Site Estates PLC 5.25% Cnv Cum Red Prf £1 - 58 (21Fe96)
City Site Estates PLC 7% Cnv Uns Ln Stk 2005/06 - £45 52½ (19Fe96)
Claynthe PLC 8.5% Subord Cnv Uns Ln Stk 2000/01 - £95 9 (20Fe96)
Coats Patons PLC 4½% Uns Ln Stk 2002/07 - £70
Coats Patons PLC 6¾% Uns Ln Stk 2002/07 - £98 ½ (21Fe96)
Coats Viyella PLC 4.9% Cum Prf £1 - 65
Commercial Union PLC 8⅜% Cum Irrd Prf £1 - 110 ½
Commercial Union PLC 8¾% Cum Irrd Prf £1 - 112 ½
Co-Operative Bank PLC 9.25% Non-Cum Irrd Prf £1 - 110
Cookson Group PLC 4.9% Pfd Ord 50p - 34 (16Fe96)
Cookson Group PLC 4.9% Cum Prf £1 - 62 (20Fe96)
Cooper (Frederick) PLC 6.5p (Net) Cnv Red Cum Ptg Prf 10p - 75
Cordiant PLC ADR (3:1) - $4⅝ф ⅞ф
Courtaulds PLC 5% Cum 1st Prf £1 - 51 7
Courtaulds PLC 6% Cum Red 2nd Prf £1 - 62
Courtaulds PLC 5½% Uns Ln Stk 94/96 - £98
Courtaulds PLC 7¾% Uns Ln Stk 2000/05 - £96
Coventry Building Society 12⅛% Perm Interest Bearing Shs £1000 - £125¾
Crane Europe Ld 5½% Cum Prf Stk £1 - 52
Croda International PLC 6.6% Cum Prf £1 - 78
Daily Mail & General Trust PLC Ord 50p - £16 16.05 (20Fe96)
Debenhams PLC 7¼% 2nd Deb Stk 91/96 - £99¾ (16Fe96)
Debenhams PLC 7¼% Uns Ln Stk 2002/07 - £90 (21Fe96)
Debenhams PLC 7¾% Uns Ln Stk 2002/07 - £94 6 (21Fe96)
Delta PLC 4.2% Cum 1st Prf £1 - 63 (21Fe96)
Dixons Group PLC ADR (3:1) - $20.85
Dover Corp Com Stk $1 - $47½ф
Dunlop Plantations Ld 6% Cum Prf £1 - 70 (19Fe96)
Eidos PLC Ord 10p - $11.46 p 715 5 8 25 7 ½ 35 40
El Oro Mining&Exploration Co PLC Ord 10p - 690 (19Fe96)
Ernest PLC 6.25p(Net) Cnv Cum Red Prf 5p - 76½ 7½
English China Clays PLC ADR (3:1) - $15.45 (20Fe96)
Ericsson(L.M.)(Telefonaktiebolaget)Ord SK2.5 Ser"B" (Reg) - SK138 .21198 44.41 ½ .6 .64 5 .14 ½ .6 .79 .9 8 8 .03 .08 .24 .25469 .35 .438 ½ .6 .9 7.3 .4 .44 ¾
Estates Property Investment Co Ld 10% 1st Mtg Deb Stk 2011 - £92 (19Fe96)
Euro Disney S.C.A. Shs FR5 (Depository Receipts) - 177 8 84 5
Euro Disney S.C.A. Shs FR5 (Br) - £1.834 FR14.05 .05 .1 .15 .2
Eurotunnel PLC/Eurotunnel SA Units (Sicovam Inscribed) - $1.305 FR6.45 .49 ½ .527749 .53 .55 .55
Excalibur Group PLC 11.5% Cum Prf £1 - 100 3 13 (19Fe96)
Exploration Co PLC Ord Stk 5p - 363 (19Fe96)
Falcon Holdings PLC Ord 5p - 126 (16Fe96)
Fisons PLC 5⅞% Uns Ln Stk 2004/09 - £78¼
Flare Group PLC Wts to sub for Ord - 03
Flare Group PLC 10% Cum Prf £1 - 102 (19Fe96)
Folkes Group PLC Ord 5p - 60 (20Fe96)
GKN PLC ADR (1:1) - £12.85ф
GN Great Nordic Ld Shs DK100 - DK458
G.T. Chile Growth Fund Ld Ord $0.01 - $36 (16Fe96)
General Accident PLC 7⅞% Cum Irrd Prf £1 - 103¼ ½ ¾
General Accident PLC 8⅞% Cum Irrd Prf £1 - 113¼ ½ ¾
General Electric Co PLC ADR (1:1) - $5¾ .84 .86 .89
Grampian Hldgs PLC 7% Cum Prf £1 - 69 (21Fe96)
Grand Metropolitan PLC 6¼% Cum Prf £1 - *64 (16Fe96)*
Great Universal Stores PLC 5⅜% Red Uns Ln Stk - £84 (20Fe96)
Greenalls Group PLC 8% Cum Prf £1 - 106
Greenalls Group PLC 9⅛% Irrd Uns Ln Stk - £95 (20Fe96)
Greenalls Group PLC 7% Cnv Subord Bds 2003 (Reg) - £135¾ .82 6½
Guinness PLC ADR (5:1) - $33.66
HSBC Hldgs PLC Ord SH10 (Hong Kong Reg) - SH10.49 .51 125¼ ¼ .6 ¾ 8.08905 .22417 ¼ .406355 .583648 .9305 .9568 7 .087 .1 .1087 .282175 .39751 ½ .52451 8
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Reg) - £114 5 ½ ¾
HSBC Hldgs PLC 11.69% Subord Bds 2002 (Br £Var) - £115.1 (21Fe96)
Halifax Building Society 8¾% Perm Int Bearing Shs £50000 - £92 (21Fe96)
Halifax Building Society 12% Perm Int Bearing Shs £1 (Reg £50000) - £123 (19Fe96)
Hardys & Hansons PLC Ord 5p - 324
Hardys & Hansons PLC 5% 1st Cum Prf £1 - 50 (19Fe96)
Hasbro Inc Shs of Cum Stk $0.50 - $35.315
Hillsdown Hldgs PLC ADR(4:1) - $11.46 (16Fe96)
Housing Finance Corporation Ld 7% Deb Stk 2006 (Sers 2) - £79¾ ¹³⁄₁₆
Housing Finance Corporation Ld 9⅝% Deb Stk 2025 - £100.49 (16Fe96)
Housing Finance Corporation Ld 11½% Deb Stk 2018 - £113.4 (19Fe96)
IS Himalayan Fund NV Ord FL0.01 - $13⅞ ¾ (20Fe96)
Iceland Group PLC Cnv Cum Red Prf 20p - 117 8 8
Illingworth Morris (Saltaire) Ld 7% Non-Cum Prf 50p - 25 (21Fe96)
Industrial Control Services Grp PLCOrd 10p - 110 ½ (21Fe96)
Irish Life PLC Ord Ir£0.10 - I£2.43 p 250 1
Johnson Group Cleaners PLC 7.5p (Net) Cnv Cum Red Prf 10p - 140 (19Fe96)
Johnston Group PLC 10% Cum Prf £1 - 106 (19Fe96)
Jurys Hotel Group PLC Ord Ir£0.25 - 220
Kingfisher PLC ADR (2:1) - $15½
Korea-Europe Fund Ld SHS(IDR to Br) $0.10 (Cpn 8) - $1625ф
Kvaerner A.S. A Shs NK12.50 - NK221.24 ¼ .28 ⅜ 4½
Ladbroke Group PLC ADR (1:1) - $2.78 (16Fe96)
Lamont Hldgs PLC 8% Cum Prf 50p - 29 (21Fe96)
Lamont Hldgs PLC 10% 3rd Cum Prf £1 - 108 (16Fe96)
Land Securities PLC 5% 1st Mtg Deb Stk 98/2001 - £100½ (20Fe96)
Land Securities PLC 8⅞% Uns Ln Stk 92/97 - £100⅛
LASMO PLC 10⅜% Deb Stk 2009 - £112½ (19Fe96)
Lebowa Platinum Mines Ld Ord R0.01 - 59ф
Leeds & Holbeck Building Society 13⅜% Perm Int Bearing Shs £1000 - £137 ¼
Lewis(John)Partnership PLC 5% Cum Prf Stk £1 - 57ф
Lewis(John)Partnership PLC 7½% Cum Prf Stk £1 - 75 (21Fe96)
London International Group PLC ADR (5:1) - £8⅞ф
Lonrho PLC ADR (1:1) - $2.9
Lookers PLC 8% Cnv Cum Red Prf £1 - 95 (20Fe96)

Lynton PLC 10¼% 1st Mtg Deb Stk 2017 - £113.43
MEPC PLC 8% Uns Ln Stk 2000/05 - £97¾ 8
McCarthy & Stone PLC 8.75% Cum Red Prf 2003 £1 - 90½ (21Fe96)
McCarthy & Stone PLC 7% Cnv Uns Ln Stk 99/04 - £79
McInerney Properties PLC "A" Ord Ir£01.10 - 62 (20Fe96)
Malacca Fund (Cayman) Ld Ptg Shs $0.01 - $17.1 .15 (20Fe96)
Marks & Spencer PLC ADR (6:1) - $39.86
Marston,Thompson & Evershed PLC 10¼% Deb Stk 2012 - £113⅛
Medeva PLC ADR (4:1) - $13.98ф .9995ф 4ф
Merchant Retail Group PLC 8⅞% Uns Ln Stk 99/04 - £88 9½ (20Fe96)
Mersey Docks & Harbour Co 6⅝% Red Deb Stk 94/97 - £98 (21Fe96)
Mersey Docks & Harbour Co 6¾% Red Deb Stk 96/99 - £97½ф
Mersey Docks & Harbour Co 3⅝% Irrd Deb Stk - £39 (20Fe96)
Molex Inc Shs of Class A Com Stk $0.05 - $33¾ (20Fe96)
NFC PLC 7¾% Cnv Bds 2007(Reg) - £90¼
National Westminster Bank PLC 9% Non-Cum Stlg Prf Sers "A" £1 - 116¾ ¾
National Westminster Bank PLC 12½% Subord Uns Ln Stk 2004 - £123½ (21Fe96)
Newcastle Building Society 12⅝% Perm Interest Bearing Shs £1000 - £134 (20Fe96)
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Reg) - £85½
Northern Foods PLC 6¾% Cnv Subord Bds 2008 (Br £ Var) - £85¼ 86¾ (20Fe96)
Northern Rock Building Society 12⅝% Perm Int Bearing Shs £1000 - £136½
Orbis PLC Ord 10p - 38 9 40 1 ½ 2
P & O Property Holdings Ld 8% Uns Ln Stk 97/99 - £97ф
PSIT PLC 8% Cum Prf £1 - 94 (16Fe96)
Pacific Gas & Electric Co Shs of Cum Stk $5 - $26
Panther Securities PLC Wts to sub for Ord - 5 (21Fe96)
Parkland Group PLC Ord 25p - 174 (20Fe96)
Pascoe's Group PLC 7.5% Cnv Cum Red Prf 5p - 117 (16Fe96)
Paterson Zochonis PLC 10% Cum Prf £1 - 121
Pearson PLC 13.625% Uns Ln Stk 2007 - £139 (16Fe96)
Peel Hldgs PLC 9⅞% 1st Mtg Deb Stk 2011 - £103 (20Fe96)
Peel Hldgs PLC 5.25% (Net) Cnv Cum Non-Vtg Prf £1 - 121
Perkins Foods PLC 8p(Net) Cum Cnv Red Prf 10p - 100½ (21Fe96)
Petrofina S.A. Ord Shs NPV (Br in Denom 1.5 & 10) - BF8241¾ 66.1 301 8.3 .3 25 30
Plantation & General Invs PLC 9½% Cum Red Prf £1 - 92 (21Fe96)

Pokphand (C.P.) Co Ld Shs $0.05 (Hong Kong Registered) - $H4.01 (16Fe96)
Potgietersrust Platinums Ld Ord R0.025 - 403 (16Fe96)
Powell Duffryn PLC 4¾% Cum Prf 50p - 26 7
Quarto Group Inc 8.75p(Net) CnvCumRedShs of Pfd Stk $0.10 - 150 (20Fe96)
Queens Moat Houses PLC 10⅛% 1st Mtg Deb Stk 2020 - £84.95 (20Fe96)
RTZ Corporation PLC 3.325% "A" Cum Prf £1 - 52 (20Fe96)
Racal Electronics PLC ADR (2:1) - $9¼
Rank Organisation PLC ADR (2:1) - $14.55
Reckitt & Colman PLC 5% Cum Prf £1 - 55 6½ 7½
Ronson PLC Ord 5p - 48 9
Royal Bank of Scotland Group PLC 11% Cum Prf £1 - 107 (19Fe96)
Royal Insurance Holdings PLC 7¾% Cnv Subord Bds 2007 (Br £ Var) - £131½
Rugby Group PLC 6% Uns Ln Stk 93/98 - £95
Sainsbury(J) PLC ADR (4:1) - $24.22
Sainsbury(J) PLC 8% Irrd Uns Ln Stk - £84 (20Fe96)
Savoy Hotel PLC "B" Ord 5p - £50 (20Fe96)
Scholl PLC 8⅞% Cum Red Prf 2001/05 £1 - 99½ (20Fe96)
Schroder Japanese Warrant Fund Ld IDR (In Denom 100 Shs & 10000 Shs) - $65 (16Fe96)
Scottish & Newcastle PLC 7% Cnv Cum Prf £1 - 293 (20Fe96)
Sears PLC 7¼% Uns Ln Stk 92/97 - £99½ (16Fe96)
Securicor Group PLC 4.55% Cum Ptg Prf £1 - £202½ (19Fe96)
Severn River Crossing PLC 6% Index-Linked Deb Stk 2012 (5.702%) - £121½
Shell Transport&TradingCo PLC Ord Shs 25p (Br)(Cpn 195) - 853 (20Fe96)
Shell Transport&TradingCo PLC 5½% 1st Prf(Cum)£1 - 64
Shoprite Group PLC Ord 5p - 9
Shoprite Finance (UK) PLC 7.875p(Net) Cum Red Prf Shs 2009 - 63
Singer & Friedlander Group PLC 8.5% Cnv Subord Uns Ln Stk 2009/14 - £133 3
600 Group PLC 3.15% Cum Prf £1 - 37 (19Fe96)
Skipton Building Society 12⅞% Perm Int Bearing Shs £1000 - £134¼ ½
Smith (W.H.) Group PLC 5⅛% Red Uns Ln Stk - £56
SmithKline Beecham PLC ADR (5:1) - $55.523146 .673138
SmithKline Beecham PLC/SmithKline ADR (5.1) - £36.2459 36.3622 $ 55½ .52 ⅝ ⅞
South Staffordshire Water PLC 9¼% Red Deb Stk 98/2000 - £104ф
South Staffordshire Water PLC 5% Perm Deb Stk - £53 (16Fe96)

Standard Chartered PLC 12⅞% Subord Uns Ln Stk 2002/07 - £122½ (16Fe96)
Superframe Group PLC Wts to sub for Ord - 4 (19Fe96)
Symonds Engineering PLC Ord 5p - 44 ½ 6 ½ 7
THFC (Indexed) Ld 5.65% Index-Linked Stk 2020(6.9390%) - £126½ 7½ (19Fe96)
TSB Group PLC 10⅞% Subord Ln Stk 2008 - £114
TT Group PLC 10.875% Cnv Cum Red Prf Shs £1 1997 - 338 (21Fe96)
Talcare PLC 11.8% 1st Mtg Deb Stk 2014 - £114⅞
Tate & Lyle PLC ADR (4:1) - $29.82 (21Fe96)
Tate & Lyle PLC 6½%(4.55% plus tax credit)Cum Prf £1 - 70⅛‡
Tate & Lyle PLC 8% Uns Ln Stk 2003/08 - £99ф
Tesco PLC ADR (1:1) - $4¼
Tesco PLC 4% Uns Deep Disc Ln Stk 2006 - £69½ 70
Thai Prime Fund Ld Ptg Red Prf $0.01 - $19.2 19.8 (20Fe96)
Thailand International Fund Ld Ptg Shs $0.01 (IDR's to Br) - $37000 (16Fe96)
Thistle Hotels PLC 10¾% 1st Mtg Deb Stk 2014 - £117 (19Fe96)
THORN EMI PLC ADR (1:1) - $23.9 5⅞
Total Systems PLC Ord 5p - 22 (21Fe96)
Town Centre Securities PLC 9% Cnv Uns Ln Stk 96/2000 - £255
Trafalgar House PLC 7% Uns Deb Stk £1 - 42 (20Fe96)
Trafalgar House PLC 9½% Uns Ln Stk 2000/05 - £78 (16Fe96)
Trafalgar House PLC 10¼% Uns Ln Stk 2001/06 - £87 (20Fe96)
Transatlantic Holdings PLC A Cnv Prf 50p - £3.5 (20Fe96)
Transatlantic Holdings PLC B 6% Cnv Prf £1 - 90ф
Transport Development Group PLC 8¼% Uns Ln Stk 93/98 - £98 (21Fe96)
Unigate PLC ADR (1:1) - $6.66
Unigate PLC 6½% Uns Ln Stk 91/96 - £99 (16Fe96)
Unigate PLC 8½% Uns Ln Stk 92/97 - £98 (19Fe96)
Unilever PLC ADR (4:1) - £76¾ 76⅞
Unisys Corp Com Stk $0.01 - $6⅞ (21Fe96)
United Kingdom Property Co PLC 8½% Uns Ln Stk 2000/05 - £88 (19Fe96)
United Plantations Africa Ld Ord R0.50 - £0.35
Vaux Group PLC 9.875% Deb Stk 2015 - £109ф
Vaux Group PLC 10.75% Deb Stk 2016 - £117.075 ⅛ (20Fe96)
Vickers PLC 5% Prf(Non-Cum)Stk £1 - 44
Vickers PLC 5% Cum(Tax Free To 30p)Prf Stk £1 - 65
Vodafone Group PLC ADR(10:1(- $35.605 ⅝ ¾ ¾

Wagon Industrial Hldgs PLC 7.25p (Net) Cnv Ptg Prf 10p - 117 21
Walker(Thomas) PLC Ord 5p - 28 (20Fe96)
Whitbread PLC 4½% 1st Cum Prf Stk £1 - 47
Whitbread PLC 6% 3rd Cum Prf Stk £1 - 66 (21Fe96)
Whitbread PLC 7¼% Uns Ln Stk 95/99 - £99 ¼ ⅝
Whitbread PLC 9% Uns Ln Stk 97/2001 - £101½ф
Whitbread PLC 10½% Uns Ln Stk 2000/05 - £109 10½ (19Fe96)
Williams Hldgs PLC 10¾% Cum Prf £1 - 125 (19Fe96)
Willis Corroon Group PLC ADR (5:1) - £11.9ф
Witwatersrand Nigel Ld Ord R0.25 - 17ф
Wyevale Garden Centres PLC 8.5% (Net) Cnv Cum Red Prf £1 - 200
Xerox Corp Com Stk $1 - $129⅛ (21Fe96)
York Waterworks PLC Ord 10p - 325
Yorkshire-Tyne Tees TV Hldgs PLC Wts to sub for Ord - 830 5
Young & Co's Brewery PLC 4.2% Cum Prf Stk - 63 (19Fe96)
Young & Co's Brewery PLC 9% Cum Prf £1 - 110 (19Fe96)
Zambia Consolidated Copper Mines Ld"B" Ord K10 - 67 70

Investment Trusts

Anglo & Overseas Trust PLC 8.5% Deb Stk 2020 - £96½ ¾ (19Fe96)
BZW Endowment Fund Ld Redeemable Ord 1p - 124 6½
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord - 80
Baillie Gifford Shin Nippon PLC Warrants to sub for Ord 2005 - 50 (19Fe96)
Bankers Investment Trust PLC 10½% Deb Stk 2016 - £116¼ (16Fe96)
Baronsmead Investments Trust PLC Wts to sub for Ord - 22 (21Fe96)
British Assets Trust PLC "A" 5% Prf Stk(Cum) - £54½ (21Fe96)
British Empire Sec & General TstPLC10⅜% Deb Stk 2011 - £112 (21Fe96)
Broadgate Investment Trust PLC Wts to Sub for Ord - 52 (16Fe96)
Capital Gearing Trust PLC Ord 25p - 570ф
Edinburgh Investment Trust PLC 5¾% Deb Stk 1998 - £97
Edinburgh Investment Trust PLC 11½% Deb Stk 2014 - £125⅛ (20Fe96)
European Assets Trust NV Br R 1 (Cpn 16) - NG7.433 7.47
Fidelity European Values PLC Equity Linked Uns Ln Stk 2001 - 185 (21Fe96)
Finsbury Smaller Co's Trust PLC Zero Dv Prf 25p - 215½
Fleming Mercantile Inv Trust PLC 3.5% Cum Prf Stk £1 - 55
Fleming Overseas Inv Trust PLC 5% Cum Prf £1 - 54 (16Fe96)
Gartmore British Inc & Grth Tst PLCZero Dividend Prf 10p - 133½ 5 (21Fe96)
Gartmore Shared Equity Trust PLC Geared Ord Inc 10p - 85 5 ½
Geared Inc Investment Trust PLC "C" Ord £1 - 92 (21Fe96)
HTR Japanese Smaller Co's Trust PLCOrd 25p - 95 ½ ½ 6 6 ⅝ ½ ½ .55
INVESCO English & Intl.Trust PLC 3.85% (Fmly 5½%) Cum Prf £1 - 58 (16Fe96)
Investors Capital Trust PLC 7¼% Deb Stk 92/97 - £99ф
JF Fledgeling Japan Ld Warrants to sub for Ord - 30 ⅞
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Active Fund - £16.99 17.02 (16Fe96)
Lazard Select Investment Trust Ld Ptg Red Prf 0.1p U.K. Liquid Assets Fund - £10 (16Fe96)
London & St Lawrence Investment PLCOrd 5p - 171 2
MorganGrenfellLatinAmerCo's Tst PLCWts to sub for Ord - 24 ½ .51 .78 5 5
Murray International Trust PLC 4% Deb Stk - £44 (21Fe96)
New Guernsey Securities Trust Ld Ord 25p - 114
Paribas French Investment Trust PLCSers "B" Warrants to sub for Ord - 17 (20Fe96)
Schroder Korea Fund PLC Ord $0.01 (Br) - $13.2 4
Scottish Mortgage & Trust PLC 8%-14% Stepped Interest Deb Stk 2020 - £149 (20Fe96)
Scottish National Trust PLC 10% Deb Stk 2011 - £108¼ (20Fe96)
Shires High-Yielding Smllr Co's TstWts to Sub for Ord - 43 (20Fe96)
Updown Investment Co PLC Ord 25p - 853 (21Fe96)
Wigmore Property Investment Tst PLCWts to Sub for Ord - 17 8 (16Fe96)
Witan Investment Co PLC 8½% Deb Stk 2016 - £88 (21Fe96)
Witan Investment Co PLC 6¼% Exch Bds 2008(RegIntPrinc £1000) - £112½ 3½

USM Appendix

Alternative Investment Market

Bowness Leisure Cnv Prf 70 (22/2)
Megalomedia Warrants 93¾ (20/2)
Scottish Pride 42½ (16/2)
SkyePharma B Warrants 8⅝ (20/2)
Wedderburn Securities 11 (23/2)

1

[illegible]

LONDON STOCK EXCHANGE

MARKET REPORT

Political uncertainties keep the lid on equities

By Steve Thompson,
UK Stock Market Editor

The ever-increasing pressure on the government and the possibility of a snap general election, coupled with renewed volatility on Wall Street, undermined sentiment in UK equities yesterday.

The FT-SE 100 index closed a disappointingly quiet session only 0.3 higher at 3,740.3. Over the week, the index has fallen 30.6, burdened initially by steep falls in international bonds but also because of growing political worries in the UK.

News that Mr Peter Thurnham, MP for North East Bolton, had resigned the government whip prompted widespread worries that Monday's parliamentary debate on the Scott report could see the government come close to defeat.

The gloom did not penetrate fully throughout the market, where second liners attracted good buying interest. Good performances among individual stocks saw tha FT-SE Mid 250 finally close above the 4,200 level, up 10.3 at a record close of 4,208.0. In contrast to Footsie the Mid 250 index made progress over the week, ending 8.1 higher.

London's reluctance to follow Wall Street into uncharted territory was clear from the outset. The overnight 92 point leap to a new record on the Dow Jones Industrial Average never looked like being emulated in London, where Footsie opened only 14 points higher.

Marketmakers, conscious of London's recent reluctance to chase Wall Street, lifted their opening qootations but reported only small-scale institutional buying.

Consequently, share prices embarked on a gradual decline which saw the gain in the Footsie finally wiped out in mid-afternoon, before a mild rally left the index fractionally higher on the day.

Wall Street delivered one of its most erratic performances for some time, surging almost 50 points initially before faltering and then retreating to post a 20 points fall after London closed for business.

Some adopted a very cautious view of Wall Street after its volatility. One senior London trader said he would not be surprised to see the Dow give up all Thursday's gains. The head of marketmaking at another UK securities house said he thought London would fall back to 3,700 in the short term, in the absence of takeover developments.

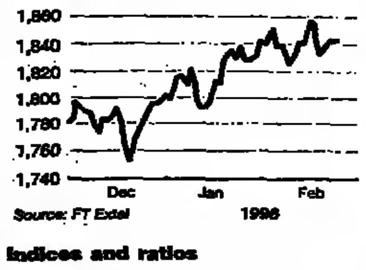
The slide in gilts, which left the 10-year gilt about five ticks lower at the close after an early gain of 10 ticks, and the 20 year gilt some 7 ticks lower after an initial rise of 13 ticks, did nothing to calm nerves.

There was very little in the way of corporate activity in the market yesterday, apart from reports that Hanson had sold its near 5 per cent stake in Shanks & McEwan, the waste disposal company.

Bank stocks, badly hit by worries about a mortgage price war after Nationwide's move to increase savings rates while cutting lending rates, staged a good rally. Barclays edged up on hopes that the bank may announce a further share buy-back with its preliminary numbers on Tuesday. And there are hopes that Standard Chartered could produce a 50 per cent increase in its dividend total on Wednesday.

Turnover at 6 pm was 659.1m shares; retail activity on Thursday fell just short of £2bn.

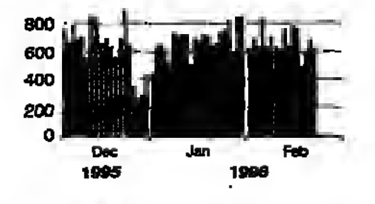
FT-SE-A All-Share Index



Source: FT Extel

Equity shares traded

Turnover by volume (million). Excluding: Intra-market business and overseas turnover



Indices and ratios

FT-SE Mid 250	4208.0	+10.3
FT-SE-A 350	1868.5	+1.1
FT-SE-A All-Share	1844.41	+1.43
FT-SE-A All-Share yield	3.74	(3.76)
FT Ordinary index	2760.6	-0.9
FT-SE-A Non Fins p/e	17.32	(17.34)
FT-SE 100 Fut Mar	3732.0	-7.0
10 yr Gilt yield	7.84	(7.82)
Long gilt/equity yld ratio:	2.20	(2.21)

FT-SE 100 Index

Closing index for Feb 23	3740.3
Change over week	-30.6
Feb 22	3740.0
Feb 21	3725.6
Feb 20	3714.6
Feb 19	3744.3
High'	3755.5
Low'	3688.7

'Intra-day high and low for week

TRADING VOLUME IN MAJOR STOCKS

	Vol. 000s	Closing price	Day's change
3i	305	424	+2
ASDA Group†	7,100	104¼	-2¼
Abbey National†	7,500	597	+11
Albert Fisher	7,400	44	-½
Allied Domecq†	1,500	520	-9
Anglian Water	1,300	577	-8
Argos†	549	606	+11
Argyll Group†	1,800	302	-4
Arjo Wiggins	1,800	207	+6
Assoc. Brit. Foods†	1,000	389	
Assoc. Brit. Ports	856	290	+1
BAA†	1,100	494½	+1½
BAT Inds.†	4,100	575	-2½
BET	12,000	186½	+3
BICC	1,600	297	+3
BOC†	648	921	
BP†	6,800	527½	+1
BPB Inds.	2,400	319	+1
BSkyB†	1,400	395	
BT†	7,300	369	-4½
BTR†	13,000	321	-2
Bank of Scotland†	2,700	272½	-4½
Barclays†	4,900	794	+2
Bass†	983	741	-4
Blue Circle†	1,300	352	-1
Booker	207	363	+1
Boots†	1,400	591	-11
Britannic	699	760	+7
Brit. Aerospace†	4,600	865	+13
British Airways†	1,600	498	-3
British Gas†	12,000	239½	+3
British Land	402	397	
British Steel†	8,900	178½	+7
[illegible]	19	199	+2
Burmah Castrol†	137	1058	-4
Burton†	4,000	139	+1¼
Cable & Wire†	4,000	460	+2
Cadbury Schweppes†	1,000	538	-1
Caradon	1,400	207	-3
Carlton Comms.†	1,600	1019	+6
Coats Viyella	2,700	197	+3
Comm. Union†	2,200	615	-2
Compass	455	494	+2
Cookson†	7,700	304	+9
Courtaulds†	2,700	432	-4½
Dalgety	431	435	-4
De La Rue	203	723	-1
Dixons†	2,700	450½	+1½
East Midland Elec.	366	736	-4
Electrocomps	154	344	+1½
Eng China Clays	95	344	-2
Enterprise Oil†	526	382	+2
Eurotunnel Units	223	83	
FKI	1,300	161	+4
Foreign & Col. I.T.†	730	164	+½
Forte	48	348	
Gen. Accident†	821	651	+5
General Elect.†	8,300	376½	+2½
Glaxo Wellcome†	5,800	923	-½
Glynwed	1,100	326	-2
Granada†	2,200	719	-7
Grand Met.†	5,800	443½	+2½
GUS†	1,900	680	-9
Greenalls†	1,000	583½	+6½
GRE†	2,200	247	
GKN†	747	840	+13
Guinness†	4,500	446	+1
HSBC (75p shs)†	2,100	1072	-2
Hammerson	241	345	+4
Hanson†	13,000	188½	-1¾
Harrisons Crosfield	491	162	+3
Hays	402	382	
Hillsdown	5,500	178	-1
IMI	197	331	+1
ICI†	3,500	882	+25
Inchcape	895	252	+½
Johnson Matthey	206	593	+5
Kingfisher†	1,800	522	+7½
Kwik Save	457	478	+3
Ladbroke†	4,000	188	
Land Securities†	207	614	
Laporte	132	651	+1
Legal & General†	1,700	719	
Lloyds Abbey	1,400	527	
Lloyds TSB†	7,400	322	-1
LASMO†	2,100	181½	-½
London Elect	177	747	-1
Lonrho	1,800	198	+2½
Lucas	3,200	188	-1
MEPC	973	412	
MFI	417	152	-2
Marks & Spencer†	3,800	423	-2½
Mercury Asset Man	347	874	-4
Midlands Elect	828	379	+2
Morrison (Wm.)	926	157	-2
NFC	807	159	+1½
NatWest Bank†	14,000	711	+11
National Grid†	4,400	194½	-1
National Power†	5,200	487	-1
Next	782	477	-2
Northern Elect.	235	649	+2
Northern Foods	842	188½	-½
Pearson†	777	691	-1
P & O†	2,300	526	-3
Pilkington†	3,800	212	+2
PowerGen†	1,700	540	+1
Prudential†	2,100	448	+2
REXAM†	1,500	366	
RMC†	171	1014	-5
RTZ†	2,800	914	-1
Racal	569	308	+5
Rank Org.†	2,500	477	-2½
Reckitt & Colman†	578	658	-1
Redland†	1,200	417	-1
Reed Intl.†	1,300	1044	-2
Rentokil†	8,600	353	+6½
Reuters†	2,000	692	
Rolls Royce†	1,900	209	-1½
Ryl Bk Scotland†	515	578	-5
Royal Insurance†	1,500	390	+1
Sainsbury†	1,700	381	-4
Schroders†	201	1273	-2
Scottish & New.†	355	661	
Scot. Hydro-Elect.	1,200	339	-1
Scottish Power†	1,800	373	-1
Sears	4,900	95	-½
Sedgwick	2,300	137	
Seeboard	9	534	
Severn Trent†	858	634	-10
Shell Transport†	4,300	851	+2
Siebe†	795	812	-1
Slough Ests	600	211	-1
Smith (W.H.)	423	425	+4
Smith & Nephew†	469	190½	
SmKl Beecham†	4,100	719	+6
SmKl Beecham Uts.†	930	720	+11
Smiths Inds.†	569	814	-1
Southern Elect†	1,300	837	+7
South Wales Elect.	5	850	
South West Water	250	499	-4
Southern Water	254	688	+7
Standard Chartd.†	1,000	602	-3
Storehouse	1,300	305	-2
Sun Alliance†	5,000	395	-6
T&N	444	160	-1
TI Group†	1,700	478	
Tarmac	767	119	+1
Tate & Lyle†	2,100	481	+2
Taylor Woodrow	981	140	-2
TeleWest	302	131½	-4½
Tesco†	6,500	270¼	-5½
Thames Water†	1,600	536	
Thorn EMI†	1,100	1607	-28
Tomkins†	1,400	268¼	-4
Trafalgar House	3,700	38	+¼
Unigate	367	437	-2
Unilever†	1,500	1218	+5
United Biscuits	938	235	-1
Utd. News & Media	584	652	-1
United Utilities†	1,000	584	-1
Vodafone†	8,500	232½	+1¼
WPP	4,000	187	+1
Welsh Water	182	743	-6
Wessex Water	459	334	+4
Whitbread†	810	715	-1
Williams Hldgs.†	2,100	329	-6
Willis Corroon	548	152	-2
Wimpey	424	139	
Wolseley†	1,700	464	-3
Yorkshire Elect	358	743	+7
Yorkshire Water	965	638	+1
Zeneca†	1,600	1262	-4

Based on trading volume for a selection of major securities dealt through the SEAQ system yesterday until 4.30pm. All trades are rounded. † indicates an FT-SE 100 index constituent. Source: FT Extel.

EQUITY FUTURES AND OPTIONS TRADING

With gilts dull and Wall Street *unable to build on its initial 50-point leap yesterday, stock index futures closed lower in very weak premium, writes Jeffrey Brown.*

Volume fell back from the recent high levels. The FT-SE 100 March contract racked up 10,700 lots, but almost 3,000 of this represented roll-over into the June future.

The March contract stood at 3,732 when pit trading ended, down seven points for a net *decline on the week of 38 points. Dealers said doubts had begun to build up around* sentiment.

They pointed to the weakness of premium at the close, with the March contract standing at a discount to cash of seven points, or nine points less than fair value.

Traded options had another good session, with stock options again showing plenty of spirit. NatWest Bank traded 4,400 lots and Abbey National, ahead of Monday's results *statement, 3,700 lots.*

■ FT-SE 100 INDEX FUTURES (LIFFE) £25 per full index point (APT)

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar	3758.0	3732.0	-7.0	3758.0	3720.0	12185	55629
Jun	3758.0	3735.5	-7.5	3759.5	3747.5	2881	9717
Sep		3752.0	-7.0			0	2173

■ FT-SE MID 250 INDEX FUTURES (LIFFE) £10 per full index point

	Open	Sett price	Change	High	Low	Est. vol	Open int.
Mar		4210.0	+10.0			0	3306

■ FT-SE 100 INDEX OPTION (LIFFE) (*3740) £10 per full index point

	3550		3600		3650		3700		3750		3800		3850		3900	
	C	P	C	P	C	P	C	P	C	P	C	P	C	P	C	P
Mar	190	5	140	8½	98	15½	61½	29	32½	51	13	84½	4	128	1½	178
Apr	190½	18½	149½	27	112½	39½	82½	60	57	84	36	113	21	148	12	189½
May	208½	31½	172	43	137	57½	105½	78	79½	99½	54½	126½	38½	158½	24½	197½
Jun	226½	47½	188½	57½	156	73½	123	91	98½	115½	74½	141½	56	173½	39½	206½
Dec†			274½	113			213½	150½			164½	199½			123	258½

Calls 3,601 Puts 6,850

■ EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) £10 per full index point

	3575		3625		3675		3725		3775		3825		3875		3925	
Mar	162½	6½	117½	11	77	20	44	37	28	63	7	99½	2½	144½	1	193
Apr	172	24½	134	36	100	51½	71	72	48	98½	38	130	17½	167½	18	208½
May	188	35½	152	48½	119	65	90½	85½	66½	111	47	141	32	175	21½	213½
Jun			175½	87			110½	100			84	151½			35	221
Sept†			216½	94			155	129			107	177½			71	238

Calls 4,165 Puts 3,559 * Underlying index value. Premiums shown are based on settlement prices. † Long dated expiry months.

FT-SE-A INDICES - LEADERS & LAGGARDS

Percentage changes since December 29 1995 based on Friday February 23 1996

Support Services	+11.05	Services	+4.04	Tobacco	+1.32
Media	+10.38	Building Matls	+4.00	Pharmaceuticals	+1.11
Leisure & Hotels	+8.57	Gen Industrials	+4.00	Insurance	+1.06
Paper, Pckg & Printing	+7.96	FT-SE-A Fledgling	+3.92	Distributors	+0.84
Chemicals	+6.39	Banks, Retail	+3.59	Utilities	-0.10
Electronic & Elect Equip	+6.20	FT-SE-A Fledgling ex ITs	+3.57	Mineral Extraction	-0.29
Life Assurance	+5.82	Financials	+3.43	Consumer Goods	-0.31
Transport	+5.79	Building & Construction	+2.78	Oil, Integrated	-0.63
Engineering	+5.69	Health Care	+2.67	Extractive Industries	-1.01
Textiles & Apparel	+5.68	FT-SE-A All-Share	+2.29	Diversified Industrials	-1.15
FT-SE SmallCap ex ITs	+5.13	FT-SE-A 350 Lower Yld	+2.07	Food Producers	-1.17
FT-SE SmallCap	+5.06	FT-SE-A 350	+2.07	Retailers, General	-1.65
Engineering, Vehicles	+4.89	FT-SE-A 350 Higher Yld	+2.06	Banks, Merchant	-3.71
FT-SE Mid 250 ex ITs	+4.67	Property	+2.03	Alcoholic Beverages	-3.78
Oil Exploration & Prod	+4.65	Non-Financials	+1.98	Water	-3.94
FT-SE Mid 250	+4.64	Electricity	+1.85	Retailers, Food	-5.26
Breweries, Pubs & Rest	+4.54	Telecommunications	+1.46	Gas Distribution	-5.43
Investment Trusts	+4.06	FT-SE 100	+1.38	Household Goods	-5.46

Abbey up ahead of figures

Abbey National started the day brightly, with some heavy dealing in derivatives and broker recommendations pushing the stock higher.

The shares sparked up 11 to 597p on turnover of 7.3m. Part of that volume represented cover for a large order of traded options. Some 3,700 call options – giving the right to buy stock at a later date and representing 8.7m shares - went through the options pitch first thing.

While there are some analysts who see the bank as a potential takeover target, most of the buying reflected relief *that Abbey was not going* to respond to the latest mortgage cut by Nationwide. If it had matched Nationwide's 0.45 percentage point cut it would have lost a quarter of its current year profits.

Broker James Capel reinstated its buy recommendation on Abbey, pointing out that the shares had already lost 70p since the end of January when Bradford & Bingley raised the spectre of an all-out mortgage price war. SGST also published a buy note.

Abbey has full year figures on Monday and is expected to announce a profit of about £1bn, as well as a 22 per cent dividend hike.

Tesco under fire

Food retailers were friendless after Strauss Turnbull was reported to have downgraded its recommendation on Tesco from "buy" to "hold". Merrill Lynch was also said to hava reduced profit estimates for Tesco, although it remains positive. The shares relinquished 5½ to 270¼p after trade of 5.3m.

Asda Group was also weak and the shares ended the session 2¼ lower at 104¼p, the worst performer in the Footsie yesterday. J Sainsbury did not escape and eased 4 to 381p. However, bargain hunters helped Kwik Save shrug off weakness earlier in the week that followed a James Capel profits downgrade. The shares hardened 3 to 478p.

In the drinks sector, a positive trading statement from Greenalls Group at its annual meeting boosted the shares 6¼ to 583½p. Credit Lyonnais favours the stock, and said this week: "The transformation from a regional brewer to the UK's largest independent pub and restaurant operator has not been fully recognised by the market."

Spirits group Guinness hardened a penny to 446p, after Morgan Stanley reiterated its buy stance on the stock. Morgan believes "the shares are at a big discount to the market and they are already discounting the possibility of any bad news from next month's figures".

The broker is cautious on Allied Domecq and said that the shares are "overvalued on fundamentals". Allied shares fell 9 to 520p.

British Steel shot to the top of the Footsie performance charts as share buy-back talk rode in on the back of reviving sentiment for the shares.

The stock gained 7 to 178½p in 8.9m turnover, having stood at 148p at the start of the year. It has moved ahead strongly this week following an upbeat results statement from leading French steel producer Usinor.

Most analysts felt the share buy-back talk lacked stamina. They pointed to Steel's declared aim of underpinning its dividend throughout the *cyclical downturn for steel.*

"The main focus of shareholder value at the company lies with the dividend," said one sector watcher.

Speculation about a realignment of Europe's defence industry continued to keep British Aerospace and GEC on the boil. And there were hopes that next week's results statement from BAe can deliver a punchy message.

BAe rose 13 to 865p and GEC added 2½ to 376½p in 8.3m traded. GKN, which puts out 1995 numbers on March 7, gained 13 to 840p, helped by a buy recommendation from James Capel.

Hanson was a busy stock as dealers spread their wings beyond the London Stock Exchange system. One brokerage was offering a block of 10m shares on Tradepoint, the electronic order-driven exchange established last September.

If the offer had been taken up, it would have represented a third of the turnover seen on Tradepoint in the whole of January.

Some dealers suggested the attempted deal might have been a manoeuvre in the battle by some international brokers to push for an order-driven market. Salomon Brothers has been vocal about what it sees as the lack of transparency in the quote-driven market.

Hanson shares ended down 1¾ at 188½p with turnover of 13m shares on SEAQ – the stock exchange system.

National Westminster shares performed well as the prospect of a link-up with Clerical Medical gained credence. The shares rose 11 to 711p, with some analysts convinced NatWest had secured sole negotiating rights to buy Clerical, which handles the bank's life fund, and that it would secure it for about £800m.

NEW 52 WEEK HIGHS AND LOWS

NEW HIGHS (128).

BANKS, RETAIL (2) Banc Bil Vz, Natl West, ***BREWERIES, PUBS & REST (5)*** Ascot, Compass, Eldridge Pope A, Fuller STA, Regent Inns, ***BUILDING & CNSTRN (5)*** Allen, Berkeley, Havelock Europa, McCarthy & Stone, Taylor Woodrow, ***BLDG MATLS & MCHTS (2)*** Grafton, Kingspan, **CHEMICALS (3)** BASF, Hoechst, ICI, **DISTRIBUTORS (1)** ISA Intl, **ELECTRNC & ELECT EQUIP (6)** ASEA B, Calluna, Critchley, GEC, Hewlett-Packard, LPA Inds, **ENGINEERING (4)** Atlas Copco B, Bodycote Intl, Jones & Shipman, Spirax-Sarco, ENG, **VEHICLES (1)** Trinity, **EXTRACTIVE INDS (1)** Panorama Res, **FOOD PRODUCERS (1)** Carr's Milling, Greencore, Unigate, **GAS DISTRIBUTION (1)** Flogas, **HEALTH CARE (3)** Biocompatibles Intl, Huntleigh Tech, Seton, **INSURANCE (1)** Marsh & McLennan, **INVESTMENT TRUSTS (25)** **INVESTMENT COMPANIES (5)** Biotech Invs Prf, JF Asia Select, JF Philippine Fd, Korea Asia Fd, Pictet Bvl, **LEISURE & HOTELS (4)** Airtours, Games Workshop, Rank Org, Tottenham Hotspur, **LIFE ASSURANCE (1)** Utd Friendly B, **MEDIA (7)** Aegis, CIA, Capital Radio, Flextech, More O'Ferrall, On Demand Info, Scottish Radio, **OIL EXPLORATION & PROD (1)** Hardy Oil & Gas, **OIL, INTEGRATED (1)** Chevron Corpn, **OTHER FINANCIAL (1)** Lon Forfaiting, PAI-ZR, **PACKG & PRNTG (3)** Capital Inds, Clondalkin, Field, **PHARMACEUTICALS (1)** Astra B, **PROPERTY (5)** Anglo St James, Asda Prop, Do *Shp Cv Prf, Green Prop, TBI*, **RETAILERS, GENERAL (6)** Carpetright, Cash Converters Intl, DFS Furniture, Dixons, Goldsmiths, Next, **SUPPORT SERVS (11)** ADT, Admiral, BET, Borland Intl Inc, CRT, Capita, Dudley Jenkins, Lynx, Misys, Sema, Superscape VR, **TEXTILES & APPAREL (1)** Jones Stroud, **TRANSPORT (5)** Benicia Ports, Natl Express, Stagecoach, **AIM (5)** Finl Publns, Formscan, Old English Pub, Scruttons, Sthn News, **AMERICANS (2)** Chase Manhattan, Citicorp.

NEW LOWS (23).

BUILDING & CNSTRN (2) Avonside, Sheriff, **DISTRIBUTORS (1)** Lookers, **DIVERSIFIED INDLS (1)** Hanson Wts, **ENGINEERING (2)** ASW, Brunel, ***INVESTMENT TRUSTS (6)*** **OIL EXPLORATION & PROD (1)** Ohio Res, **PROPERTY (3)** City Site Ests, Lon Secs, Residential Prop Yst, **RETAILERS, FOOD (1)** Kwik Save, **RETAILERS, GENERAL (1)** French Connection, **SUPPORT SERVS (1)** Quality Software Prods, **TEXTILES & APPAREL (1)** Foster (J), ***TRANSPORT (1)*** *Wah Kwong*, **AIM (2)** Creco Int, Park Ests (L'pool).

■ CHIEF PRICE CHANGES YESTERDAY

London (Pence)

Rises

Acorn Computer	240	+	25
Ascot Hldgs	354	+	19
Carr's Milling	339	+	26
Cortecs Int	275	+	10
Courtaulds Text	421	+	13
Eve Grp	153	+	6
Flogas	285	+	50
Games Workshop	317	+	10
ICI	882	+	25
Jones & Shipman	53	+	6
LPA Inds	50	+	5
Learmonth & Bcht	169	+	6
Lynx Hldgs	87	+	11
NSM	33	+	7
Renold	264½	+	16½
Telspec	775	+	67

Falls

French Connection	145	-	41
ML Labs	382	-	21
Oceonics	19	-	2¼
Proteus	50	-	3
Quality Software	315	-	15

Strong demand for retailer Argos created a squeeze in the stock, sending it sharply forward. The shares gained 11 to 606p, although general selling of Boots left the shares trailing 11 to 591p.

Cable TV shares had a bad day with the sector featuring at the bottom end of the FT-SE Mid 250 rankings.

With penetration stuck in a rut and costs rising, most analysts take a cautious line on the industry.

Next Thursday, Nynex CableComms kicks off the 1995 results season and dealers are braced for uninspiring news. Nynex came off 2 to 93½p in 7.5m traded. *TeleWest Communications* shed 4½ to 131½p and General Cable closed 3 lower at 173p.

Leading conglomerate BTR was the second most actively traded Footsie stock, with 13m shares changing hands.

A number of brokers were said to have reiterated their negative stance ahead of the *1995 results. These are due in* mid March and tha City forecast range is unusually wide. The shares ended off 2 at 321p.

A reiterated buy stance from Hoare Govett and the recent strength of US technology stocks helped push Cookson ahead by more than 3 per cent. The electronics to ceramics group added 9 to 304p in above average turnover of 7.7m.

Positive broker notes continued to underpin motor dealer Lex Service, which added 5 to 315p for a two-day advance of 11.

FT - SE Actuaries Share Indices — The UK Series

	Feb 23	Day's chge%	Feb 22	Feb 21	Feb 20	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995/96 High		1995/96 Low		Since Compilation High		Since Compilation Low	
FT-SE 100	3740.3	....	3740.6	3725.6	3714.6	3037.7	3.88	2.07	15.53	13.03	1500.41	3781.3	2/2/96	2954.2	23/1/95	3781.3	2/2/96	986.9	23/7/84
FT-SE Mid 250	4208.0	+0.2	4197.7	4182.0	4177.9	3407.4	3.49	1.74	20.60	23.93	1687.04	4208.0	23/2/96	3309.9	8/3/95	4208.0	23/2/96	1379.4	21/1/86
FT-SE Mid 250 ex Inv Trusts	4223.2	+0.2	4213.5	4198.2	4192.2	3416.7	3.62	1.79	19.28	25.27	1674.99	4223.2	23/2/96	3306.4	8/3/95	4223.2	23/2/96	1378.3	21/1/86
FT-SE-A 350	1868.5	+0.1	1867.4	1860.2	1855.5	1516.9	3.80	2.01	18.40	7.40	1533.95	1882.1	15/2/96	1482.4	23/1/95	1882.1	15/2/96	664.5	14/1/86
FT-SE-A 350 Higher Yield	1871.6	+0.1	1870.3	1863.5	1857.3	1541.4	4.68	1.87	14.30	6.57	1274.38	1894.8	15/2/96	1607.7	9/3/95	1894.8	15/2/96	669.5	14/1/86
FT-SE-A 350 Lower Yield	1870.1	+0.1	1869.1	1861.6	1858.6	1492.1	2.86	2.25	19.43	8.30	1282.51	1884.9	16/2/96	1454.9	23/1/95	1884.9	16/2/96	667.4	14/1/86
FT-SE SmallCap	2048.02	+0.3	2041.93	2037.47	2041.07	1706.54	3.08	1.81	22.39	4.03	1659.02	2048.02	23/2/96	1678.61	13/3/95	2094.98	4/2/94	1363.79	31/12/92
FT-SE SmallCap ex Inv Trusts	2025.97	+0.3	2020.08	2016.39	2019.71	1684.53	3.29	1.80	19.97	4.17	1650.17	2025.97	23/2/96	1658.16	13/3/95	2080.72	4/2/94	1363.79	31/12/92
FT-SE-A ALL-SHARE	1844.41	+0.1	1842.98	1836.15	1832.12	1500.15	3.74	1.99	16.74	7.02	1538.27	1858.23	15/2/96	1469.23	23/1/95	1856.23	15/2/96	61.92	13/12/74

■ FT-SE Actuaries All-Share

	Feb 23	Day's chge%	Feb 22	Feb 21	Feb 20	Year ago	Div. yld%	Net cover	P/E ratio	Xd adj. ytd	Total Return	1995/96 High		1995/96 Low		Since Compilation High		Since Compilation Low	
10 MINERAL EXTRACTION(24)	3240.32	+0.2	3235.43	3221.45	3220.56	2608.53	4.00	1.51	20.70	22.56	1373.03	3310.55	14/2/96	2606.55	6/3/95	3310.55	14/2/96	980.20	19/2/86
12 Extractive Industries(6)	4182.41	-0.2	4189.28	4167.80	4149.48	3400.51	3.79	2.39	13.77	65.48	1223.89	4300.32	27/11/95	3340.86	20/2/95	4300.32	27/11/95	1000.00	31/12/85
15 Oil, Integrated(3)	3272.46	+0.2	3265.33	3253.16	3252.66	2612.08	4.22	1.35	21.88	16.24	1416.66	3377.15	8/1/96	2661.16	6/3/95	3377.15	8/1/96	982.30	20/2/86
16 Oil Exploration & Prod(15)	2219.65	+0.1	2217.06	2196.18	2212.87	1913.54	2.21	1.46	38.64	0.00	1317.51	2223.42	19/2/96	1857.13	23/1/95	3044.10	8/6/90	650.30	28/7/86
20 GEN INDUSTRIALS(276)	2049.21	+0.5	2039.97	2024.42	2016.98	1796.20	4.04	1.88	16.46	2.06	1101.45	2049.21	23/2/96	1767.07	9/3/95	2232.88	2/2/94	986.10	14/1/86
21 Building & Construction(34)	1073.83	+0.3	1070.65	1062.35	1062.70	928.68	3.76	2.02	16.41	1.16	885.68	1073.83	23/2/96	890.48	13/3/95	2125.60	16/7/87	538.30	9/9/92
22 Building Matls & Merchs(29)	1887.07	....	1886.42	1885.75	1887.79	1685.62	3.97	2.03	15.51	0.61	938.84	1918.13	16/2/96	1647.71	9/3/95	2303.22	24/1/94	854.90	9/9/92
23 Chemicals(23)	2495.34	+0.9	2472.41	2439.13	2423.02	2127.24	4.00	2.02	15.44	8.91	1162.46	2512.61	15/9/95	2113.65	6/3/95	2586.42	8/8/94	979.50	14/1/86
24 Diversified Industrials(21)	1764.16	-0.4	1771.19	1746.98	1737.52	1785.71	5.59	1.48	15.09	3.32	966.37	1967.89	15/5/95	1769.81	19/12/95	2231.57	2/2/94	964.80	21/1/86
25 Electronic & Elect Equip(38)	*2374.52*	+1.2	*2346.34*	*2323.04*	2310.11	1802.71	3.03	1.95	21.17	2.04	1218.30	2374.52	23/2/96	1815.78	30/1/95	2374.52	23/2/96	988.98	29/9/86
26 Engineering(71)	2300.02	+0.8	2282.27	2270.24	2266.68	1727.34	3.24	2.24	17.23	3.48	1378.80	2300.02	23/2/96	1704.23	31/1/95	2300.02	23/2/96	962.80	10/11/87
27 Engineering, Vehicles(13)	2624.99	+0.5	2612.88	2598.41	2581.77	2025.77	3.90	1.26	25.43	0.23	1338.50	2703.32	5/2/96	2018.97	23/1/95	2703.32	5/2/96	996.60	14/1/86
28 Paper, Pckg & Printing(26)	2711.89	+0.7	2692.93	2699.55	2670.70	2783.90	3.68	2.53	13.39	0.39	1112.54	3142.82	11/7/95	2435.62	4/12/95	3142.02	11/7/95	973.30	14/1/86
29 Textiles & Apparel(19)	1495.23	+1.6	1481.13	1477.47	1479.31	1448.96	4.65	1.75	15.37	0.32	886.86	1708.30	25/6/95	1389.16	8/3/95	2325.00	2/10/87	980.80	24/9/90
30 CONSUMER GOODS(81)	3627.53	....	3626.06	3612.43	3606.41	2825.50	3.81	1.74	18.85	7.79	1319.08	3718.90	31/1/96	2743.56	25/1/95	3718.90	31/1/96	987.50	14/1/86
32 Alcoholic Beverages(6)	2795.83	....	2797.19	2774.01	2774.59	2548.78	4.35	1.67	17.22	26.48	989.29	2906.08	16/10/90	2472.06	9/3/95	3467.00	11/5/92	987.50	14/1/86
33 Food Producers(23)	2533.16	....	2532.29	2533.19	2539.03	2349.74	4.30	1.70	17.04	4.53	1125.43	2652.66	24/1/96	2240.13	23/1/95	2652.66	24/1/96	948.10	14/1/86
34 Household Goods(15)	2555.62	-0.1	2557.95	2558.68	2548.00	2460.23	3.74	2.15	15.58	1.66	960.25	2741.30	2/8/95	2367.47	4/1/95	2994.14	18/2/94	927.10	21/1/86
36 Health Care(20)	1945.19	-0.4	1953.68	1949.69	1952.13	1584.11	2.63	1.78	26.91	2.08	1169.14	2037.97	5/10/95	1580.32	23/1/95	2047.48	28/9/87	972.80	21/1/86
37 Pharmaceuticals(13)	5178.39	+0.3	5165.30	5150.10	5155.98	3480.84	3.20	1.69	23.13	0.05	1729.55	5338.80	31/1/96	3225.96	5/1/95	5338.90	31/1/96	953.70	13/1/86
38 Tobacco(1)	4870.76	-0.4	4891.93	4849.58	4743.69	3548.10	4.92	1.94	13.10	0.00	1178.38	4956.47	2/2/96	3446.71	7/3/95	4956.47	2/2/96	992.00	9/1/86
40 SERVICES(263)	2321.90	-0.2	2327.43	2315.44	2310.80	1836.71	2.99	2.11	19.87	12.96	1196.54	2341.86	16/2/96	1813.39	9/3/95	2341.86	16/2/96	944.90	23/1/86
41 Distributors(32)	2593.29	+0.4	2583.43	2562.70	2577.35	2251.30	3.73	1.83	18.32	0.00	943.84	2803.86	15/9/95	2239.84	27/2/95	2319.33	2/2/94	988.50	21/1/86
42 Leisure & Hotels(23)	2867.15	-0.4	2899.96	2835.74	2850.28	2065.04	2.87	2.10	20.74	104.50	1535.47	2917.84	16/2/96	2033.71	23/1/95	2917.84	16/2/96	975.40	21/1/86
43 Media(46)	3831.68	-0.2	3839.58	3814.43	3799.97	2741.51	2.20	2.19	28.62	11.48	1375.67	3842.57	16/2/96	2628.32	23/1/95	3842.57	16/2/96	976.20	9/1/86
44 Retailers, Food(15)	1889.19	-1.3	1914.80	1908.81	1902.79	1773.18	3.87	2.41	13.44	2.85	1164.70	2253.84	4/9/95	1728.40	5/1/95	2253.84	4/9/95	917.40	21/1/86
45 Retailers, General(43)	1916.34	-0.3	1922.48	1918.15	1915.89	1502.02	3.16	2.23	16.09	5.57	1083.43	1952.54	2/1/96	1494.48	21/2/95	1952.54	2/1/96	878.10	9/12/88
47 Breweries, Pubs & Rest.(24)	2977.79	-0.1	2979.31	2981.71	2978.45	2141.28	3.32	2.08	18.09	15.46	1419.78	2995.92	16/2/96	2083.29	9/3/95	2995.92	16/2/96	962.60	14/1/86
48 Support Services(49)	2095.17	+0.9	2075.60	2061.16	2056.26	1433.84	2.29	2.52	21.70	2.39	1320.01	2095.17	23/2/96	1420.33	7/3/95	2095.17	23/2/96	938.80	1/2/91
49 [illegible]port(21)	*2299.09*	....	2300.11	2299.22	2281.94	2156.32	3.77	1.39	23.86	3.84	945.75	2382.48	28/7/95	2161.86	13/3/95	2805.98	3/2/94	990.00	14/1/86
6[illegible] UTILITIES(33)	2462.47	-0.1	2465.94	2461.70	2440.98	2346.95	5.03	2.07	11.99	27.33	1041.66	2824.84	8/9/95	2182.31	8/3/95	2782.33	2/2/94	882.50	3/10/86
62 Electricity(12)	2778.88	+0.2	2774.16	2754.56	2736.92	2446.92	5.00	2.60	9.63	105.57	1345.34	2819.05	10/11/95	2077.88	31/3/95	2819.05	10/11/95	995.30	7/1/91
64 Gas Distribution(2)	1596.62	+1.2	1577.30	1600.31	1600.56	1961.58	7.50	1.37	12.14	0.00	801.05	2092.25	3/1/95	1506.17	8/12/95	2379.30	16/12/93	894.90	9/12/86
66 Telecommunications(7)	2021.80	-0.6	2033.73	2028.46	1997.73	1970.96	4.16	1.77	16.92	0.00	915.12	2224.41	4/9/95	1894.52	9/3/95	2461.20	29/12/93	802.50	5/10/86
68 Water(12)	2087.77	-0.4	2095.57	2092.28	2096.64	1737.73	5.84	2.60	8.24	3.61	1132.16	2173.37	29/12/95	1687.98	3/2/95	2173.37	29/12/95	924.70	1/5/90
69 NON-FINANCIALS(687)	1946.29	....	1945.48	1936.04	1930.19	1619.41	3.81	1.89	17.32	8.14	1458.54	1967.11	15/2/96	1588.58	9/3/95	1967.11	15/2/96	63.49	13/12/74
70 FINANCIALS(108)	2954.48	+0.2	2949.21	2954.32	2958.16	2150.83	3.77	2.56	12.94	9.65	1248.02	2994.33	24/1/96	2018.15	23/1/95	2994.33	24/1/96	972.20	23/1/86
71 Banks, Retail(8)	4161.06	+0.2	4174.05	4198.50	4212.49	2820.02	3.42	2.97	12.30	0.00	1340.28	4304.82	24/1/96	2682.93	23/1/95	4304.92	24/1/96	950.89	23/1/86
72 Banks, Merchant(6)	3501.07	-0.1	3505.75	3491.28	3498.45	3059.81	2.66	2.41	19.50	0.00	1667.95	3938.79	4/9/95	2847.34	8/3/95	3938.79	4/9/95	982.80	27/1/86
73 Insurance(24)	1443.89	+0.3	1439.25	1428.87	1412.93	1194.70	5.30	2.97	7.95	0.39	1058.52	1486.58	1/12/95	1186.61	23/1/95	1624.28	29/12/88	876.90	25/6/92
74 Life Assurance(6)	3567.39	+0.4	3553.89	3535.79	3534.86	2439.23	3.91	1.53	20.88	0.00	1453.36	3567.39	23/2/96	2225.44	23/1/95	3567.39	23/2/96	987.76	23/1/86
77 Other Financial(23)	2539.64	-0.2	2543.96	2543.95	2547.21	1849.43	3.56	1.95	18.49	1.00	1424.66	2584.40	15/2/96	1823.81	7/3/95	2584.40	15/2/96	956.30	1/10/90
79 Property(41)	1454.64	+0.2	1451.82	1447.78	1445.65	1383.83	4.30	1.31	22.29	2.84	883.77	1498.94	26/7/95	1333.72	20/4/95	2132.40	5/9/89	718.40	16/9/92
80 INVESTMENT TRUSTS(127)	3144.23	+0.4	3133.17	3116.35	3122.08	2586.95	2.14	1.04	55.97	6.43	1090.35	3163.87	15/2/96	2526.39	23/1/95	3184.31	2/2/94	977.28	14/1/86
89 FT-SE-A ALL-SHARE(902)	1844.41	+0.1	1842.98	1836.15	1832.12	1500.15	3.74	1.99	18.74	7.02	1538.27	1856.23	15/2/96	1469.23	23/1/95	1856.23	15/2/96	61.92	13/12/74
FT-SE-A Fledgling	1149.72	+0.2	1147.98	1146.09	1147.89	989.80	2.94	2.22	19.15	2.70	1190.69	1149.72	23/2/96	949.80	13/3/95	1778.30	2/2/94	31.14	12/12/94
FT-SE-A Fledgling ex Inv Trusts	1149.50	+0.2	1147.83	1146.23	1147.16	988.87	3.22	2.39	16.24	2.94	1189.80	1149.50	23/2/96	948.60	20/3/95	1778.30	3/2/94	26.13	12/12/94

■ Hourly movements

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	High/day	Low/day
FT-SE 100	3754.1	3752.9	3747.5	3744.0	3742.9	3743.7	3745.3	3749.6	3739.8	3755.1	3738.6
FT-SE Mid 250	4205.6	4207.6	4205.7	4205.5	4205.0	4205.5	4206.6	4208.4	4207.8	4209.3	4204.4
FT-SE-A 350	1873.6	1873.4	1871.1	1869.7	1869.2	1869.6	1870.3	1872.2	1868.2	1874.2	1867.8

Time of FT-SE 100 High: 8.37 AM Low: 4:07 PM

■ FT-SE Actuaries 350 Industry baskets

	Open	9.00	10.00	11.00	12.00	13.00	14.00	15.00	16.10	Close	Previous	Change
Bldg & Cnstrcn	1089.6	1089.6	1086.1	1086.3	1087.0	1088.4	1088.4	1088.1	1088.3	1087.6	1086.2	1.4
Pharmaceuticls	5123.3	5141.4	5143.3	5137.8	5136.0	5134.4	5136.7	5139.5	5124.4	5123.0	5109.9	13.1
Water	*2086.6*	*2088.2*	2077.0	2076.1	2079.2	2080.4	2080.1	2081.4	2080.6	2080.4	2088.3	-7.6
Banks, Retail	4249.5	4239.3	4243.2	*4237.7*	4235.4	4235.1	4237.6	4243.8	4233.0	*4234.4*	4227.3	7.1

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
FT-SE 100	31/12/83	1000.00	Electricity	31/12/90	1000.00	FT-SE SmallCap & ex I.T.s	31/12/92	1363.79
FT-SE Mid 250 & ex I.T.s	31/12/85	1412.60	Water	29/12/89	1000.00	FT-SE-A Fledgling	30/12/94	1000.00
FT-SE-A 350	31/12/85	682.94	Non-Financials	10/4/62	100.00	FT-SE-A Fledgling ex Inv Tsts	30/12/94	1000.00
FT-SE-A 350 Higher Yield	31/12/85	682.94	FT-SE-A All-Share	10/4/62	100.00	FT-SE Total Return Indices	31/12/92	1000.00
FT-SE-A 350 Lower Yield	31/12/85	682.94	All Other	31/12/85	1000.00	FT-SE-A Sectors' Total Ret	31/12/93	1000.00
Oil Exp & Prod Total Retn	31/12/93	1047.33						
FT-SE-A Fledgling Total Ret	30/12/94	1000.00						
FT-SE-A Fledg ex IT Total Ret	30/12/94	1000.00						

The FT-SE Actuaries Share Indices are calculated by *FT-SE International Limited* in conjunction with the Faculty of Actuaries and the Institute of Actuaries. © FT-SE International Limited 1996. All rights reserved. The FT-SE Actuaries Share Indices are calculated in accordance with a standard set of ground rules established by *FT-SE International Limited* in conjunction with the Faculty of Actuaries and the Institute of Actuaries. "FT-SE" and "Footsie" are trademarks of the London Stock Exchange and The Financial Times Limited and are used by FT-SE International Limited under licence. Auditor: The WM Company." † Sector P/E ratios greater than 80 and net covers greater than 30 are not shown. ‡ Values are negative.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 24.02.96 Pool purchase price £/MWh	Real Prices for Trading on 27.01.96 Pool purchase price £/MWh	Pool selling price £/MWh
0030	9.68	12.17	14.97
0100	14.99	30.93	33.74
0130	9.98	35.71	38.51
0200	14.99	35.71	38.51
0230	9.96	35.71	38.51
0300	9.98	39.60	42.31
0330	9.96	39.50	42.31
0400	9.96	25.87	28.69
0430	8.70	22.83	25.63
0500	8.66	22.83	25.63
0530	9.80	22.70	25.51
0600	9.88	30.36	33.16
0630	14.35	30.36	33.16
0700	14.35	30.36	33.16
0730	14.35	30.36	33.16
0800	14.35	30.36	33.16
0830	8.70	30.36	33.16
0900	14.35	22.70	25.51
0930	14.69	24.93	27.73
1000	14.69	29.93	32.74
1030	14.69	32.37	35.18
1100	14.69	29.93	32.74
1130	14.69	28.66	31.47
1200	14.69	32.37	35.18
1230	14.69	28.66	31.47
1300	14.35	28.29	31.10
1330	14.35	22.47	25.27
1400	14.35	22.47	25.27
1430	9.86	22.47	25.27
1500	9.68	22.47	25.27
1530	9.16	22.47	25.27
1600	9.16	22.47	25.27
1630	9.08	22.47	25.28
1700	9.88	29.25	32.42
1730	12.80	61.80	65.32
1800	15.61	62.33	65.77
1830	19.66	61.16	64.43
1900	19.85	49.94	52.86
1930	18.66	29.32	32.15
2000	18.07	32.80	35.61
2030	15.60	22.19	31.99
2100	15.27	27.95	30.78
2130	9.70	24.19	26.99
2200	9.68	22.47	25.27
2230	9.16	9.14	9.14
2300	8.96	9.09	9.09
2330	8.96	9.09	9.09
2400	9.00	9.66	9.09

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.80/MWh becomes 1.68p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alteration) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0115 945 6789 between 8.30am and 5.00pm Monday to Friday.
©Energy Settlements and Information Services Limited

OFEX FACILITY

OFEX is a trading facility for share dealing in unquoted companies.

Company	Mid Price(p)	Change on Wk (p)
Ackrill Carr PLC	28	+3
Advanced Media Grp PLC *	225	
Arabian Gold PLC	20	
Amos Village PLC	33	
Arsenal FC	77500	+5000
Assured Care Centres	45	
Barker Securities	3	
Burnham Broom PLC	50	-5
Central Railway	105	
Connary Minerals PLC	1.25	
Du Bois PLC	65	
Europlan Holdings Ltd	22.5	
Gabriel Trust PLC	11	-1.5
Grampian Shipping	56	-2
Greenstar Hotels	11	
Hydro Hotel E'Bourne	400	
IES Group PLC *	240	-570**
Irish Marine Oil	8.5	
Just Group PLC *	3.25	
Labyrinth Group PLC	37	
Lion Publishing PLC	103	-2
Mulberries PLC	1.25	
National Parking Corp	465	
Oakhill Enterprises Lt	4.25	+0.75
Pavilion Holdings PLC	250	
Prof Enterprise Grp	130	
Proginet PLC	57	+7
Rangers FC	60	
Sakhalin Petroleum PLC	10	
Secured Property Devts	15	-3
Shepherd Neame Ltd	1050	-15
Syence Skin Care PLC	62	+6
Transense Technologies	140	
United Business Grp	60	
ViewCall Europe PLC	50	
Watermark Group	12	
Weetabix Ltd	2700	
Wellington Mkt & Prop	108	
Welsh Gold PLC	40	
Wentworth Intnl Group	2	
Woodcham PLC	60	
Wynnstay & Clwyd Farmers	430	

Prices as to 4.30 pm 23 February 1996 * Other classes of share available.

* Other classes of share available
** IES Group PLC had a 2 for 1 bonus issue effective from start of business Monday 19 February

OFEX is a registered trademark of S J & S Holdings Ltd, the parent company to J P Jenkins Ltd. The latter is a London Stock Exchange member firm and as such regulated by the Securities and Futures Authority Limited. For further information about OFEX please call Newstrack on tel: 0171 256 8983
Prices quoted in this advertisement have been provided by J P Jenkins Ltd.

ALCOHOLIC BEVERAGES

BANKS, MERCHANT

BANKS, RETAIL

BREWERIES, PUBS & REST

BUILDING & CONSTRUCTION

BUILDING MATS. & MERCHANTS

BUILDING MATS. & MERCHANTS - Cont.

CHEMICALS

DISTRIBUTORS

DIVERSIFIED INDUSTRIALS

ELECTRICITY

ELECTRONIC & ELECTRICAL EQPT

ELECTRONIC & ELECTRICAL EQPT - Cont.

ENGINEERING

ENGINEERING, VEHICLES

EXTRACTIVE INDUSTRIES

EXTRACTIVE INDUSTRIES - Cont.

FOOD PRODUCERS

GAS DISTRIBUTION

HEALTH CARE

HOUSEHOLD GOODS

HOUSEHOLD GOODS - Cont.

INSURANCE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INV TRUSTS SPLIT CAPITAL

هكذا أصله الأصل

LONDON SHARE SERVICE

INV TRUSTS SPLIT CAPITAL - Cont.

	Notes	Price	+ or -	1995/96 high	low	Yld Gr's	NAV	Dis or Pm(-)
Gartmore Fight Extra Inc		84	—	85	80	12.9	103.5	8.2
Warrants		10	—	13	10	-	-	-
Prf		103	—	106½	101	-	-	-
HTR Inc & Grth Sel Inc		101	+1	115	65	5.6	116.0	12.9
Zero Div Pf		121	-1	125	102	-	-	-
Henderson Eurotrust		109	...	112	80	2.8	144.9	24.0
Units		153	...	154	115	2.8	175.7	12.9
Zero Prf		42½	...	44½	35	-	-	-
Hong Kong		55	+1	58	33	4.8	66.0	16.7
Zero Div Pref		41¼	...	41¼	37	-	-	-
IBS Opportunity Inc		93	—	103	76	11.2	109.6	15.1
Zero Div Pref		241	—	241½	217½	-	-	-
INVESCO Blue Chip		60	—	72	51	17.8	71.8	10.4
Zero Pf		193½	—	195½	166½	-	-	-
INVESCO Recovery		88	—	110	84	11.8	109.3	21.3
Ptd Growth		169	-½	121	147½	-	-	-
Johnson Fry Euro		73	—	84	73	7.8	104.2	29.9
Zero Prf		128	+½	132½	103	-	-	-
Johnson Fry Second		74	-1	98	74	11.8	92.6	20.1
Zero Div Pf		116	+½	122½	98¼	-	-	-
Johnson Fry Uts		95	-1	111	85	11.4	102.2	18.8
Zero Prf		128	—	132	108½	-	-	-
Jos Hldgs Capital		128	—	129	95	-	259.7	53.8
Income		95	—	103	81	17.8	-	-
Zero Div Pref		151½	—	152	120	-	-	-
Jove Income		57	—	68	57	13.4	-	-
Capital		35	—	43	35	-	56.0	37.5
Jupiter Euro		75½	—	85	69	3.0	118.3	35.1
Warrants		45	—	65	45	-	-	-
Zero Div Pref		80	—	82	51	-	-	-
Jupiter Intl Green		41	—	58	35	12.8	57.4	28.6
Warrants		28	—	21	24	-	-	-
Units		116	—	128	99	4.6	125.9	8.8
Zero Pf		79	—	86	62¼	-	-	-
Jupiter Split Inc		95½	...	101	95½	3.4	-	-
Cap		84	...	88	73	-	-	-
Units		£59	...	£59	£58	0.2	5852.4	-.8
Annuity Prf		103	+2	100	99	18.0	-	-
Zero Div Prf		103¼	-¼	106½	103½	-	-	-
Kleinwort High Inc		82	...	91	74	15.5	96.4	14.0
Zero Div Prf		181	...	182	168	-	-	-
Lloyds Smlr Uts		128½	+½	135	182	3.6	185.1	12.0
Capital		102	...	100	77	-	144.8	29.5
Dividend		27	...	28½	26	17.3	-	-
M & G Dual Inc		178xd	...	313	173	-	-	-
Cap		2908	+3	3073	2533	-	3249.0	10.5
M & G Income Inc		29¼	...	37½	29½	31.8	-	-
Cap		29½	...	33	26¾	-	79.6	62.9
Package Units		128	...	133	116	5.1	136.4	7.0
Geared Units		50½	...	68½	59	16.7	81.1	26.6
Zero Div Prf		68	...	67½	54¼	-	-	-
M & G Recovery Inc		24½	...	30	24½	20.7	-	-
Capital		22½	...	38½	22½	-	77.4	70.0
Geared Units		47	-½	61½	47	10.9	78.8	41.1
Zero Div Prf		90½	+½	92	73	-	-	-
Package Units		138	...	142	127	3.6	151.6	0.0
M & G 2nd Dual Inc		82	...	125	85	-	-	-
Cap		528	...	605	503	-	609.7	11.4
MCIT Inc		155	...	174	158	12.9	-	-
Cap		296	...	313	273	-	344.5	13.5
8 Inc		64	...	*65½	63½	3.9	-	-
S Cap		33	...	38	31	-	38.5	14.3
Murray Split Inc		67xd	...	91	87	20.4	-	-
Cap		145	...	151	126	-	226.1	35.9
Zero Div Pref		181½	...	183	182½	-	-	-
Units		£29½xd	...	£32½	£29	0.5	3361.1	12.2
New Throg Inc		56xd	...	61	53	10.6	-	-
Capital		88	...	70	61	-	151.7	57.8
Olim Conv		46xd	...	82	46	24.6	69.4	33.7
Zero Pf		240	...	251	207½	-	-	-
Rights & Issues Inc		200	...	201	148	8.8	-	-
Cap		823	+3	845	490	2.4	687.8	18.7
River & Merc Am Inc		183	...	103	97	5.5	-	-
Capital		40½	+½	40½	26½	-	56.3	28.1
Warrants		12½	...	12½	6½	-	-	-
River & Merc Ext		83xd	...	97	17½	11.7	107.0	22.4
Warrants		7	...	16	4	-	-	-
Zero Div Pf		137	-½	138½	118	-	-	-
River & Merc Grd		78	...	85	78	12.7	-	-
Prfd Cap 1999		28	...	28	25½	-	35.4	28.8

LEISURE & HOTELS - Cont.

	Notes	Price	+ or -	1995/96 high	low	Mkt Cap£m	Yld Gr's	P/E
Northern		190	—	199	88	48.2	5.3	12.2
Prism Leis		125xd	—	141	78	10.8	5.0	8.7
Queensborough		34	-1	38	29	22.3	-	-
Queens Moat		19¼	—	28	5¼	58.0	-	-
Rank Org		477	-2½	485	358	3,973	3.6	13.0
8¼p Cnv Pref		152½	-½	153½	125½	347.7	6.6	-
Regal Hotel		44	—	44	30	44.7	-	19.6
Ryan Hotels IR		32½	—	37½	28	21.3	4.9	11.4
St James's Beach Hotels		112	—	152	111	25.3	4.7	15.4
Savoy A		1280	—	1280	845	364.1	0.7	87.5
Sinclair (Wm)		180	—	213	169	30.2	5.3	12.3
Stakis		80	—	90	74½	423.8	2.5	18.3
Stanley Leis		373xd	—	395	314	201.8	2.1	19.4
Sunleigh		3	—	4½	2¼	13.1	2.1	41.0
Surrey		0¾	—	1¼	0¾	2.99	-	18.4
Tandem		20	—	28½	13	18.9	3.1	4.0
Tanjong		340	—	348	260	1,287	1.0	23.3
Ticketing Grp		6¼	—	1¼	0½	2.32	-	12.0
Tomorrows Leis		7	—	10	5½	11.0	-	7.4
Tottenham		304xd	-4	309	117	48.5	1.0	5.4
Toy Options		92	-1	113	63	19.4	3.5	12.0
Tring Intl		44	+2	128	36	16.7	12.1	8.1
VCI		267	+1	272	181	109.9	2.0	18.3
Vardon		128	+2	184	100	117.8	1.7	18.5
Wembley		335	+1	*650	216	179.9	-	-
Zetters		122xd	—	135	60	5.95	10.2	18.4

LIFE ASSURANCE

	Notes	Price	+ or -	1995/96 high	low	Mkt Cap£m	Yld Gr's	P/E
AEGON Fl	☐	£27¾	+¼	*£30⅝	£18½	7,249	2.8	15.7
Britannic		785	+7	817	585	1,450	2.4	-
Irish Life IE		282	—	271	178	780.9	5.3	22.1
Legal & Gen	☐	719	—	728	418	3,844	3.9	21.2
Liberty Life Africa R	☐	£20⅝	+½	£24½	£12⅞	5,039	6.7	8.2
Lincoln Nat $		£25⅞	+⅜	£26⅞	£22⅞	3,728	3.3	-
Lloyds Abbey	☐	527	—	530	317	3,862	5.2	13.1
Lon & Man	☐	405	+3	423	303	494.9	5.4	16.5
Prudential	☐	446	+2	463	285	8,827	4.1	19.0
Refuge	☐	451	+1	466	341	718.5	5.3	31.3
Utd Friendly B	☐	749	+3	749	458	811.2	3.8	15.9

MEDIA

	Notes	Price	+ or -	1995/96 high	low	Mkt Cap£m	Yld Gr's	P/E
Abbott Mead		528	—	538	335	169.5	1.8	31.1
Adscene		284	—	310	200	61.6	8.8	14.5
Aegis		46½	-1¼	61½	22	409.1	-	18.8
Allied Radio		3½	—	7¼	1¾	4.81	-	-
Avesco	☐	211	—	*211	105	19.8	1.5	-
BBB Design		15	—	18	0	1.25	-	-
BSkyB		395xd	—	461	242	6,774	1.0	36.2
Barbour Index		279	+1	315	155	47.4	4.1	41.5
Birkdale	☐	7½	—	10½	4½	7.32	-	-
Black (A & C)		325	—	345	315	5.95	5.4	12.8
Blenheim	☐	240	—	281	174	223.4	5.4	14.8
8.4p Cv Pf		65	—	78¼	53	60.9	11.6	-
Bloomsbury Pblsg		87	—	108	82	7.48	4.0	5.3
Border TV		296xd	-2	318	196	30.4	1.8	24.6
Bristol Eve		380	—	382	335	81.0	4.4	10.8
CIA		170	+2	170	126	70.2	1.4	33.5
Caledonian Media	☐	23	-½	39	22	34.7	-	-
Warrants		6	-1	18	5½	1.78	-	-
Capital Radio	☐	673	+3	675	343	401.3	1.0	-
Carlton Cmms	☐	1019xd	+5	1082	851	2,364	2.0	14.6
6¾p Pf		129½	+½	131½	101	208.2	6.4	-
Carnell		20	—	28	15	3.70	2.0	26.1
Caspian		12	+½	12½	5½	13.1	-	-
Cassell		88	—	161	90	6.57	4.2	4.9
Chase Comms	☐	36	—	42	29	28.7	3.7	10.3
Chrysalis		433	—	433	248	115.6	8.8	Φ
City of Lon PR		80	—	180	80	6.32	7.6	10.2
Colleagues		283	—	288	123	64.1	1.8	20.7
Copyright Promotions		98	—	128	83	8.90	5.3	16.3

OTHER INVESTMENT TRUSTS

INVESTMENT COMPANIES

OIL, EXPLORATION & PRODUCTION

OIL, INTEGRATED

OTHER FINANCIAL

LEISURE & HOTELS

OTHER FINANCIAL - Cont.

PAPER, PACKAGING & PRINTING

PHARMACEUTICALS

PHARMACEUTICALS - Cont.

PROPERTY

PROPERTY - Cont.

RETAILERS, FOOD

RETAILERS, GENERAL

RETAILERS, GENERAL - Cont.

SUPPORT SERVICES

SUPPORT SERVICES - Cont.

TELECOMMUNICATIONS

TEXTILES & APPAREL

TOBACCO

TRANSPORT

WATER

AIM

AIM - Cont.

AMERICANS

CANADIANS

SOUTH AFRICANS

	Notes	Price	+ or -	1995/96 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£30½	—	£34½	£29	2,038	2.6	15.8
Barlow		£9½	—	£10½	£4¾	1,904	1.5	Φ
Gold Flds Prop R		157	—	178	136	18.1	6.4	7.4
MK Props		95	—	98	65	3.82	11.3	-
SASOL		517	—	648	435	3,027	2.5	-
SA Brews		£22¾	—	£26¼	£12¾	7,081	1.4	33.8
Standard Bank	☐	£27⅞	+1⅞	£32⅞	£20⅞	3,348	1.6	20.3
Tiger Oats		1175	—	1270	700	1,787	1.5	Φ
Tongaat-Hulett		1139	—	1247	636	1,089	1.8	22.8

GUIDE TO LONDON SHARE SERVICE

Prices for the London Share Service delivered by FT Extel, a member of the Financial Times Group.

Company classifications are based on those used for the FT-SE Actuaries Share Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid- prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Earnings used in calculations are based on IIMR 'Headline Earnings' formula.

Price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on interim figures.

Yields are based on mid-prices, are gross, adjusted for a dividend tax credit of 20 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised $ dilution occurs.

- ☐ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ) and non-UK stocks through the SEAQ International system.
- * Highs and lows marked thus have been adjusted to allow for capital changes
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- Φ Figures or report awaited
- ♥ Rule 2.1(a)(iv) Overseas incorporated companies listed on an approved exchange.
- ♣ Free annual/interim report available, see details below.
- ✱ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Rule 4.2(a) Irish incorporated non-listed companies.
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ♦ Merger bid or reorganisation in progress
- § Forecast dividend yield; p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment scheme.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
n Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings
v P/e ratios are calculated under new ACT guidelines.
z Dividend yield includes a special payment
F Yield based on prospectus or other official estimates for 1994-95.
H Assumed yield after pending scrip and/or rights issue.
J Yield based on prospectus or other official estimates for 1995.
K Yield based on prospectus or other official estimates for 1996
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other official estimates for 1995-96.
R Forecast annualised yield, p/e based on prospectus or other official estimates.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xd ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1350 a year for each security shown, subject to the Editor's discretion.

♣ FT Free Annual Reports Service

You can obtain the current annual/interim report of any company annotated with ♣ . Please quote the code FT2625. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822. Reports will be sent the next working day, subject to availability.

Both Annual Reports and FT Company Focus are available from the above number.

FT Company Focus

Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, balance sheet and profit and loss data, plus recent Stock Exchange announcements for £6.45.

To order, call 0121 200 4678.

Reports published by ShareFinder Ltd.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stg.

Call 0171 873 4378 for more information on FT Cityline.

For readers phoning from outside UK, please dial +44 in place of the first 0.

The share prices printed on these pages are also available on the internet at www.FT.com.

FINANCIAL TIMES
Weekend February 24/February 25 1996

Tory may rebel over handling of Scott report

MP deals blow to UK government on key vote

By Robert Peston, James Blitz, George Parker and Jimmy Burns in London

A Conservative MP yesterday dealt a further blow to the British government's hopes of winning Monday's vote on the Scott report into the arms-for-Iraq affair.

Mr John Marshall said he might abstain in the House of Commons vote, swelling the ranks of Tory MPs unhappy about the government's response to the inquiry into military equipment exports to Iraq.

Mr Marshall's stance comes in the wake of Thursday night's defection of Tory MP Mr Peter Thurnham, who resigned the party whip.

However Mr John Major, the prime minister, said he was confident of winning the vote and also moved to suppress speculation that he would be forced to call a general election this autumn.

"I have always expected to go through to the spring of 1997 and I still expect to go through to the spring of 1997", Mr Major said.

Mr Thurnham yesterday insisted his decision to sit in parliament as an independent MP – which has cut the government's majority to two – was "not a temporary arrangement".

Although he will continue to support the "main thrust of government policy", Mr Thurnham said he would probably vote against the government on Monday.

Possible abstainers among Tory MPs include Mr Marshall, Sir Teddy Taylor and Mr Christopher Gill. "It is not impossible that I might abstain," said Mr Marshall.

Mr Richard Shepherd and Mr Rupert Allason have indicated they may vote with Labour. Mr Allason said he would vote against the government unless Mr Ian Lang, the trade and industry secretary, announced a number of concessions, including new rules on the use by ministers of public interest immunity certificates which cover documents to be released in court cases.

The government is expected to concede to Mr Allason's main demand, encouraging Tory party managers to say they remained confident that they would win the vote.

The Tory party's attempt to maintain a united front in the face of pressure from opposition parties received a blow when it emerged that two ministers had urged the resignations of Mr William Waldegrave, the Treasury chief secretary, and Sir Nicholas Lyell, the attorney general.

"The argument we made was that the public expected to see heads roll over Scott, and that it was better for the government to get it over with," said one.

Sir Nicholas, however, received qualified support for his use of PII certificates in a criminal case – which the Scott report criticises – from Master of the Rolls, Sir Thomas Bingham, who heads the civil judiciary. Sir Thomas said: "I think most judges and most practitioners would have thought, rightly or wrongly, that Public Interest Immunity applied in a criminal case".

Meanwhile Sir Richard Scott warned politicians to refrain from compressing "the conclusions expressed in the report into 'soundbite' or catchphrase form".

Serbs flee as Bosnian police take control of 'ghost town'

By Harriet Martin in Sarajevo

Bosnian Federation police yesterday moved into Vogosca, a small Sarajevo suburb once held by the Serbs, the first of five suburbs to be transferred to federation control over the next month.

But they found little more than a ghost town: most of the Serb population had fled.

Mr Carl Bildt, who is responsible for implementing the civilian side of the Dayton peace agreement, said the departure of the Serbs was a tragedy: "The entire aim of the peace process was to start trying to bring people together. What we see here is a country still falling apart."

By yesterday morning around 10,000 of the 12,000 Serbs had left despite a pledge by the Bosnian government of a general amnesty to those who had been in the army its troops had fought.

As many as 8,000 Moslem refugees from Vogosca living in the centre of Sarajevo are now expected to return.

In the icy morning air, two federation policemen took down the Serb flag outside the police headquarters and proudly replaced it with the blue and white Bosnian flag. During the first day of the federation police patrols, those who had stayed mostly remained indoors, too afraid to venture out.

Mirsad, a young federation policeman who was standing outside the deserted hospital, said: "Things have gone well so far but the people seem to be really very afraid of us."

After three months of propaganda from the Serb authorities, many believed an Islamic fundamentalist invasion had come.

This is the message the Serb authorities have been impressing on their people since November, when the terms of the Dayton peace agreement were revealed.

Rajko, a 60-year-old man, said: "On our TV they said if we stayed the Moslems will come in and arrest us and kill us. I've not slept for three months. My wife wakes up each night screaming with fear."

International organisations tried in vain to counter the Serbs' propaganda with a leaflet campaign and local broadcasts encouraging people to stay.

Mr Kris Janowski, a United Nations High Commissioner for Refugees representative, criticised actions yesterday by the federation police, saying "they are doing things which they are not supposed to be doing, patrolling without international supervision and starting checkpoints".

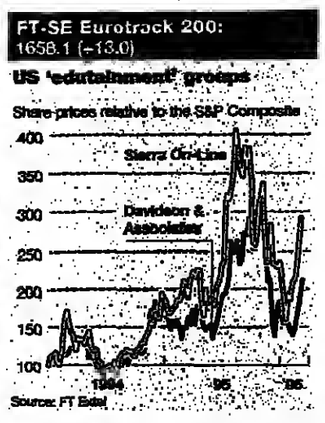
But he was also highly critical of the way that the Serb leadership had sought to make the populace leave, despite promises made in Rome last weekend to support those remaining in the Serb suburbs. He said: "The Serb showmasters wanted these people to leave. It's a cynical, manipulative game."

THE LEX COLUMN

Aux armes!

Here is a paradox: UK defence companies are so financially strong that continental European partners are finding it hard to cut deals with them. France's state-owned Aérospatiale is a typical example: because of its losses and heavy debt, it probably has no economic value. British Aerospace, by contrast, is worth £3.7bn ($5.7bn). In a merger, BAe shareholders would end up owning virtually the whole group – clearly an affront to French national pride. The same is true for Thomson-CSF: the French defence electronics group makes roughly the same operating profits as GEC-Marconi on nearly twice its turnover. Since its market capitalisation of FFr15bn ($2.96bn) is less than GEC-Marconi's value of £2.5bn or so, merging the two would again give the British shareholders control.

Such maths helps explain President Jacques Chirac's decision this week to force consolidation within France's defence industry before allowing it to clinch cross-border mergers. Rationalists rightly bemoan the fact that such "Franco-French" deals are not as economically efficient as transnational combinations. Still, they miss the point that the French moves may well be a psychologically necessary precursor to pan-European mergers. Both Thomson-CSF and Aérospatiale will be privatised, which should make them more commercially minded. Meanwhile, Aérospatiale'a balance sheet will be beefed up by merging with small but profitable Dassault Aviation. If Mr Chirac feels that as a result the French defence industry will no longer be negotiating deals with BAe and GEC from a position of weakness, it is much more likely they will be allowed.



Edutainment

Fashions in the US software industry change more rapidly than you can say Windows 95. The latest craze is for "edutainment" companies that davelop educational and entertainment software. This week CUC International, a consumer marketing group, splashed out a combined $2.2bn for Davidson & Associates – whose Math Blaster series has won educational awards – and Sierra On-Line, the American market leader in computer games. Softkey, a big ednca-tional software maker, bought the Learning Company, a smaller rival, for $600m two months ago.

These are fancy prices. Forget valuing the companies on earnings, as most are barely profitable. CUC paid 5-5½ times sales for its two purchases and Learning Company was sold for seven times turnover. If the market was still exploding, that might be understandable. But this consolidation has been triggersd by slowing demand: annual growth in the $1½bn-a-year "edutainment" market has dropped from 40 per cent to 30 per cent. An oversupply of new products has eaten into prices for standard shrink-wrapped software, putting margins under pressure. The benefits of pushing more product down the same distribution channels may only make up for part of that.

But CUC is betting heavily on developing an integrated Internet site where its customsrs will come to learn, shop and play, all from the comfort of home. This is a fine idea. But it might have been better to hny in a selection of whizzy new programs rather than spending a fortune on whole companies.

Pop groups

While the fragmentation of British teen band Take That has caused suicide threats and weight-loss from countless teenage girls, it is also causing heartache among sober business executives. Media magnates often argue that music is a stabla business. But on Monday, the industry's standard artist contract faces another legal challenge from a disgruntled star. This time it is former Take That crooner Robbie Williams. His attempt to extricate himself from his contract with Bertelsmann's RCA label has implications for RCA's contracts with the other members of Take That, now the group has folded. It also raises concerns over the quality of assets in the music industry.

Dissenting artists are not a new phenomenon, but they appear to be a growing one as stars become aware of how much money they make for their labels. So far, the industry has won most contractual disputes. Of course, record companies cannot force artists to pump out hits. But with an enforced contract, as in the case of Mr George Michael, they can at least extract substantial compensation for allowing artists to move on. If Mr Williams wins, it will challenge their ability to extract such transfer fees.

Ultimately, an out-of-court settlement is likely, but the legal challenge underlines the complexity of music businesses. Not only do they contain a mass of intangible assets in their stars, but investors have to evaluate an even greater intangible: managements' ability to keep their artists sweet.

Corporate governance

Britain's Labour party's thinking on corporate governance remains terribly fuzzy. It keeps on spouting "stakeholder" rhetoric, but insists it does not want to challenge the present balance of powsr between shareholders and others. Similarly, it yesterday promised a whole new Companies Act, but has little clue what that would say.

Labour has grasped one important issue – that institutional shareholders need to play a more active role in ensuring companies are well run. But its tentative ideas for achieving this would do more harm than good.

First, Labour suggests forcing institutions to vote. The snag with this is that apathetic shareholders – those which do not vote at present – will inevitably tend to vote for the *status quo*. Forcing them to vote is much more likely to obstruct change than encourage it. If managements could count on a large dead-weight vote, those institutions that really wanted to be active would be swamped. Hermes' plan, announced yesterday, to appoint a bounty hunter to shake up underperforming businesses represents a much bigger step forward for corporate governance than anything so far floated hy Labour.

Moreover, Labour seems to be pulling back from its earlier view that institutions should have to say how they vote. This is a mistake. Institutions have no right to keep this information from those – ultimately, pensioners and policy-holders – on whose behalf the votes have been exercised.

Russia and De Beers heal rift

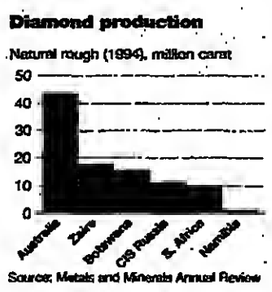
Continued from Page 1

received "a reasonable cross-section of Russian output of reasonable quality" while leaving "an appropriate level of supply of appropriate quality for their cutting industry".

As for the "leakages", Mr Capon said: "We have to take the assurances in the memorandum of general principles [that will govern the future relationship between the Russian diamond industry and De Beers] we signed yesterday at face value."

The memorandum had heen signed by Mr Vladimir Panskov, the Russian finance minister, and therefore carried extra weight.

As soon as possible the "general principles" in the memorandum would be expanded into a formal three-year trade contract with Almazy Rossii-Sakha, Russia's biggest diamond prodncer and the only organisation authorised to export rough diamonds from the country.



Mr Cockle of the CRU said the diamond market would reserve judgment until the contract was signed but the fact that De Beers was promised exclusive rights to exported diamonds was "very positive".

Mr Michael Spriggs, analyst at the investment bank SBC Warburg, said leakages would be less of a problem in future because there was evidence that the Russian stockpiles of larger rough diamonds had been run down.

In Moscow, Russian finance ministry officials who negotiated with De Beers said that the deal was "in Russia's national interests".

Some nationalist politicians had heen pushing the Russian government to opt out of its traditional relationship with De Beers.

Air project

Continued from Page 1

was competitively priced. French defence ministry officials refused to explain how, in the absence of the FLA, France would be able to attain President Chirac's goal for a capacity to "project abroad in rapid and organised conditions a significant force of 50,000-60,000 men".

France may attempt to persuade Germany to take over the project, and then buy FLAs "off-the-shelf" from Germany and any other remaining partners in the project. However, there is little prospect of Germany being prepared to fund the entire $5bn-$7bn developmsnt cost of the aircraft.

Yeltsin hits at government

Continued from Page 1

one try to defend these people – it will not help. In the future I intend to act in a similarly tough manner . . . those officials who do not make timely transfers of bndgetary funds . . . or commit gross financial misdemeanors will be strictly punished regardless of their positions."

This harsh message was underscored yesterday when Mr Andrei Ilyushenko, the country's former chief prosecutor who was placed under arrest last week, was charged with bribery and abuse of power.

In what has become a habitual refrain of his presidential campaign, Mr Yeltsin evoked the spectre of Russia's communist past, warning voters that "this may be the last chance for us to break out of the vicious circle, to make irreversible the movement of Russia towards democracy and a normal fruitful life."

But as they thronged the icy streets of central Moscow, thousands of communist supporters appeared more interested in the glories of the Soviet era than in its horrors. Carrying pictures of Lenin and Stalin, they marched in a celebration of the February 23 holiday once known as Red Army Day. Their leader, Mr Gennady Zyuganov, the frontrunner in the presidential race, said of Mr Yeltsin's speech: "He blames everyone but himself."

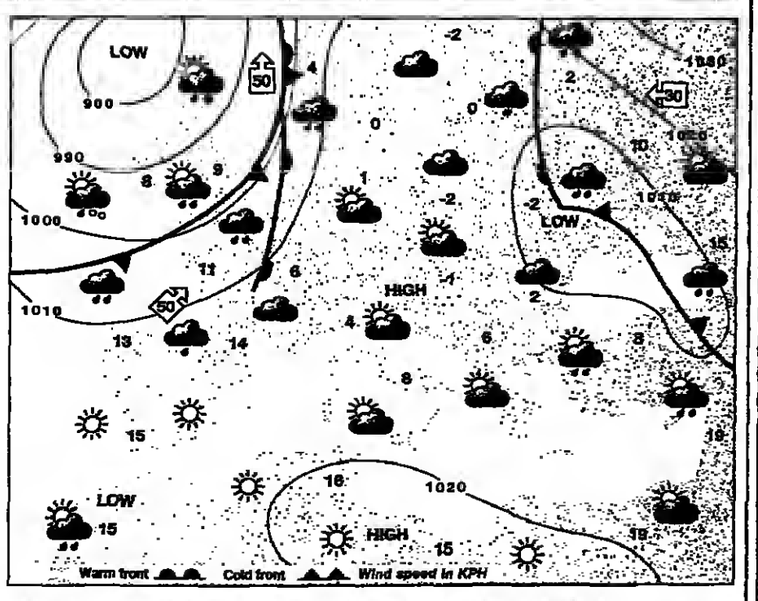
FT WEATHER GUIDE

Europe today

Rain will fall in the western parts of the continent and southerly winds will increase. The Benelux and France will become warmer, while the UK will have strong winds and rain. Spain, Portugal, Italy and central Europe will have sunny periods. Further east cloud will develop, bringing snow to Russia and rain to Turkey.

Five-day forecast

Mild conditions will continue in western Europe until early next week, bringing sunny weather. Central Europe will become colder with patchy cloud. The UK will also have patchy cloud with rain developing. Russia will become milder, with sunny spells. Eastern Spain, France and much of Italy will have heavy rain.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius															
			Beijing	sun	7	Caracas	fair	30	Faro	sun	15	Madrid	fair	11	Rangoon	fair	32
			Belfast	shower	7	Cardiff	shower	9	Frankfurt	cloudy	1	Majorca	fair	14	Reykjavik	cloudy	-2
Abu Dhabi	sun	23	Belgrade	snow	-2	Casablanca	fair	15	Geneva	cloudy	5	Malta	shower	13	Rio	rain	30
Accra	sun	33	Berlin	fair	-3	Chicago	sun	2	Gibraltar	fair	14	Manchester	shower	8	Rome	sun	7
Algiers	sun	16	Bermuda	fair	21	Cologne	cloudy	2	Glasgow	shower	8	Manila	fair	31	S. Frsco	shower	12
Amsterdam	rain	5	Bogota	fair	19	Dakar	fair	26	Hamburg	cloudy	-2	Melbourne	sun	30	Seoul	sun	8
Athens	shower	12	Bombay	sun	31	Dallas	fair	21	Helsinki	cloudy	-5	Mexico City	sun	24	Singapore	cloudy	30
Atlanta	sun	20	Brussels	rain	4	Delhi	fair	28	Hong Kong	cloudy	10	Miami	fair	29	Stockholm	cloudy	-5
B. Aires	sun	29	Budapest	fair	-3	Dubai	sun	23	Honolulu	fair	26	Milan	fair	8	Strasbourg	cloudy	3
B.ham	shower	8	C.hagen	fair	-1	Dublin	shower	8	Istanbul	shower	2	Montreal	rain	8	Sydney	fair	24
Bangkok	sun	33	Cairo	fair	20	Dubrovnik	drzzl	6	Jakarta	thund	30	Moscow	sleet	2	Tangier	fair	14
Barcelona	sun	12	Cape Town	sun	25	Edinburgh	shower	8	Jersey	shower	9	Munich	fair	-2	Tel Aviv	fair	20
									Karachi	fair	28	Nairobi	sun	23	Tokyo	fair	9
									Kuwait	fair	20	Naples	sun	8	Toronto	fair	9
									L. Angeles	fair	17	Nassau	sun	26	Vancouver	snow	6
									Las Palmas	rain	18	New York	shower	13	Venice	fair	8
									Lima	fair	27	Nice	fair	9	Vienna	fair	-2
									Lisbon	sun	12	Nicosia	fair	15	Warsaw	cloudy	-2
									London	shower	10	Oslo	snow	-3	Washington	fair	16
									Luxbourg	cloudy	3	Paris	drzzl	8	Wellington	sun	19
									Lyon	cloudy	5	Perth	sun	32	Winnipeg	fair	0
									Madeira	shower	15	Prague	fair	-2	Zurich	cloudy	2